

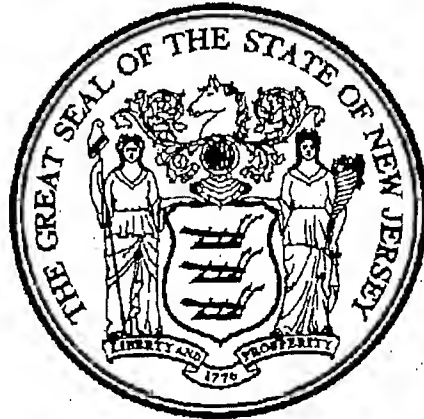
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STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF GAMING ENFORCEMENT



REPORT TO THE CASINO CONTROL COMMISSION
ON THE PETITIONS OF
TRUMP PLAZA ASSOCIATES, LLC, TRUMP
MARINA ASSOCIATES, LLC, AND TRUMP TAJ
MAHAL ASSOCIATES, LLC, FOR: RENEWAL OF
THEIR CASINO AND CASINO HOTEL ALCOHOLIC
BEVERAGE LICENSES, WAIVER OF CERTAIN
SECURITY HOLDERS, AND RELATED RELIEF
(PRN 0510702); AND, APPROVAL OF MATERIAL
DEBT TRANSACTIONS (PRN 0670703)

YVONNE G. MAHER
ACTING DIRECTOR

TRENTON, NEW JERSEY
MAY 18, 2007

JAMES C. FOGARTY
DEPUTY ATTORNEY GENERAL

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I. INTRODUCTION

PRN 0510702 was filed on February 20, 2007, and petitioners request from the Casino Control Commission ("Commission") the renewal of casino licenses for Trump Taj Mahal Associates, LLC ("Trump Taj Mahal"), Trump Plaza Associates, LLC ("Trump Plaza"), and Trump Marina Associates, LLC ("Trump Marina"), for a five-year period through June 30, 2012, pursuant to Section 88 of the Casino Control Act ("Act").¹ Renewals are also sought for casino hotel alcoholic beverage ("CHAB") licenses and cooperative purchasing permits. In addition, the petition seeks various rulings related to the casino license renewals such as the status under the Act of certain security holders and financial sources. Appropriate supporting filings -- business entity disclosure forms; personal history disclosure forms and other documents -- have been made in connection with the filing of the petition as required by the Act.

The last casino license renewal proceeding occurred on June 25, 2003, and resulted in a resolution for each casino licensee renewing a casino license for a four-year term commencing on June 26, 2003, and thus expiring on June 25, 2007.¹ See Commission Resolutions No. 03-176-A as to Trump Taj Mahal, 03-176-B as to Trump Marina, and 03-176-C as to Trump Plaza. In connection with these prior renewals, the Division of Gaming Enforcement ("Division") filed a report dated June 4, 2003 ("Division's Prior Renewal Report").

¹The petition mistakenly identifies the expiration date of the current licenses as June 30, 2007 (paras. 1, 3 and 5) and thus identifies the renewal period as "through June 30, 2012." In fact, the renewal period would be from June 26, 2007, to and including June 25, 2012, since the current licenses expire on June 25, 2007.

The Division has maintained an ongoing investigation of each of these casino licensees/petitioners and the areas related to their continued qualification under the Act. *N.J.S.A. 5:12-76(c); N.J.S.A. 5:12-80 et seq.* This report sets forth the results of the Division's investigation and summarizes significant developments during the past license period spanning the period from approximately the Division's Prior Renewal Report to the present. The Division will report separately on the request for renewal of the CHAB licenses and cooperative purchasing permits.

In addition, this report will address PRN 0670703 which was filed on March 8, 2007, amended on March 9, 2007, and amended again on May 8, 2007. This petition requests Commission approval of certain material debt transactions ("Material Debt Transactions") involving debt instruments to be undertaken by the three casino licensees ("Grid Notes").

A Prehearing Conference was held on April 25, 2007, and a Prehearing Conference Order was entered on April 26, 2007. Among other things, the Prehearing Conference Order set the date of June 20, 2007, for the public hearing on the within petitions.

II. GENERAL INFORMATION

A. BANKRUPTCY REORGANIZATION

On November 21, 2004, seventeen months after the last license renewals, the three Trump casino licensees, their then-holding company, Trump Hotels & Casino Resorts, Inc. ("Trump Hotels" or "THCR"), and approximately twenty-four other affiliated entities filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the District of New Jersey. Prompting this event was that the companies had not in recent years prior thereto achieved desired results and operating performance, revenues and earnings and that during this period they faced increased competition in the marketplace while being burdened by substantial debt service. On December 15, 2004, a plan of reorganization was filed which was confirmed by the Bankruptcy Court on April 5, 2005. By petition initially filed with the Commission on March 11, 2005 (PRN 0700502), the affected Trump entities sought various declaratory rulings with respect to the plan of reorganization and related financial restructuring as well as other rulings under the Act occasioned by the bankruptcy reorganization. The plan became effective on May 20, 2005, at which time all material conditions to the plan were satisfied and the companies emerged from Chapter 11.²

At a public hearing on May 4, 2005, the Commission, as memorialized in Resolution No. 05-05-04, approved the bankruptcy reorganization under the Act and made a number

²This was the second time protection under the Bankruptcy Code was obtained. The first time was in 1992.

of other rulings with regard thereto. Among those other rulings were approval of new common stock and new notes and the transfer of the casino and CHAB licenses from Trump Taj Mahal Associates, Trump Plaza Associates and Trump Marina Associates, L.P., to, respectively, renewal petitioners Trump Taj Mahal Associates, LLC, Trump Plaza Associates, LLC, and Trump Marina Associates, LLC.

The bankruptcy reorganization also caused the re-naming of publicly-traded Trump Hotels to publicly-traded Trump Entertainment Resorts, Inc. ("Trump Entertainment" or "TER"), and Trump Hotels & Casino Resorts Holdings, L.P., to Trump Entertainment Resorts Holdings, L.P. ("TER Holdings"). Also, Trump Casinos II, Inc. was merged into TCI 2 Holdings, LLC ("TCI 2"), a new company, and Trump Entertainment Resorts Funding, Inc. ("TER Funding") was created essentially replacing Trump Hotels & Casino Resorts Funding, Inc. The reorganization resulted in a significant simplification of the corporate structure with the elimination or dissolution of approximately 18 entities that had appeared at the time of the prior renewal.³ Trump Casinos, Inc. ("TCI"), a New Jersey corporation established in 1988, was retained and is presently a limited partner of TER Holdings. Also, transferred to Donald J. Trump ("DJT") was THCR's 25% interest in Miss Universe, L.P., which it had held since 2002.

³Those entities are: Trump Atlantic City Associates ("TACA"), Trump Casino Holdings, LLC ("TCH"), THCR/LP Corp., THCR Holding Corp., Trump Atlantic City Corporation, Trump Casino Funding, Inc., TAC Funding, TAC Funding II, TAC Funding III, Trump Marina, Inc., Trump Atlantic City Holdings, Inc., Trump Plaza Funding, Inc., THCR Ventures, Inc., THCR Enterprises, Inc., THCR Enterprises, LLC, THCR Management Holdings, LLC, THCR Management Services, LLC, and Trump Internet Casino, LLC.

The authorized membership of the Board of Directors of the parent company increased from five to nine upon reorganization with five of the nine initially acceptable to the noteholder committee in bankruptcy, three appointed by DJT and the ninth member acceptable to DJT and the noteholder committee. In terms of equity ownership of the company, the bankruptcy reorganization caused DJT's interest to decrease from approximately 56.4% to 23.5%.⁴ In terms of debt, the bankruptcy reorganization reduced the company's debt from approximately \$1.8 billion at a weighted average cash interest rate of 11.63% to approximately \$1.25 billion at 8.5% in notes for a ten-year term plus a \$500 million credit facility at variable rates. The annual savings in interest payments was approximately \$80 million--from \$208.9 million before to approximately \$129 million (in 2006) after the reorganization.

B. ENTITIES

1. Trump Taj Mahal

Effective April 26, 1990, Trump Taj Mahal's predecessor was first issued plenary casino and CHAB licenses. They were renewed thereafter according to the Act and, on June 22, 1995 and June 23, 1999, the Commission held consolidated hearings concerning the renewal applications of Trump Taj Mahal, Trump Marina and Trump Plaza and on each occasion renewed all licenses for four-year terms. As noted previously, Trump Taj Mahal's last license renewal proceeding was held on June 25, 2003, in conjunction with the other

⁴Without regard to the exercise of warrants.

two casino licensees, and the licenses were renewed for four-year terms commencing on June 26, 2003. See Commission Resolutions No. 03-176-A, 03-176-B and 03-176-C.

The Trump Taj Mahal Casino Resort is located on the northern end of Atlantic City's Boardwalk and consists of approximately 39 acres of land including the 24 acres on which the resort is situated and approximately 12 acres suitable for development. This site includes the Steel Pier which consists of approximately 3.5 acres and which is currently leased to an amusement park operator until December 2007. Trump Taj Mahal has 1,250 hotel rooms, 13 dining locations, approximately 140,000 square feet of ballroom and meeting room space, and 158,500 square feet of gaming space. The gaming space includes approximately 200 table games, approximately 3,770 slot machines and approximately 12,000 square feet for poker, keno, race simulcasting and an Asian-themed table game area. In addition, Trump Taj Mahal has a 20,000 square foot entertainment complex known as the Xanadu Theater, the Casbah Nightclub, the Mark G. Etess Arena which has approximately 60,000 square feet of exhibition and entertainment space, and a health club, spa and fitness center. There is also a parking garage for approximately 7,000 cars, a 6-bay bus terminal and a roof-top helipad. During 2006, construction of a new hotel tower at Trump Taj Mahal began, of which there is more information later in this report. Trump Taj Mahal also reports owning a warehouse on 18 acres of land in Egg Harbor Township, New Jersey.

2. Trump Plaza

Trump Plaza's predecessor first received a plenary casino and CHAB license effective May 26, 1984. Trump Plaza Hotel and Casino is located at the center of the Boardwalk and covers approximately 11 acres, with 3.5 acres suitable for development, and which has direct access to Boardwalk Hall. A portion of the land on which Trump Plaza is situated is leased from Plaza Hotel Management Company ("PHMC") pursuant to a lease expiring in December 2078. The Trump Plaza facility has approximately 900 hotel rooms and approximately 96,000 square feet of casino space which consists of approximately 2,280 slot machines and 90 table games. It also has 18,000 square feet of conference space and a 800-seat cabaret theater, nine restaurants, a health spa, retail outlets and other amenities. Its garage can accommodate 13 buses and approximately 2,700 cars.

Trump Plaza owns a 5,750 square-foot parcel of land near the intersection of Mississippi and Pacific Avenues and leases, from PHMC, approximately 12,000 square feet of land adjacent thereto. In late 2005, Trump Plaza acquired property on Pacific Avenue and Columbia Place known as Sabatini's Restaurant and, in June 2006, property adjacent thereto used as a jewelry business. It also owns five parcels of land consisting of approximately 43,000 square feet and leases another parcel consisting of approximately 3,200 square feet contiguous to each other and located along Atlantic Avenue on the same block as Trump Plaza's garage.

3. Trump Marina

Trump Marina's predecessor was issued an initial plenary casino and CHAB license effective June 19, 1986. The Trump Marina Hotel Casino covers approximately 14 acres in Atlantic City's marina district and has a 27-story hotel with 728 guest rooms and approximately 79,000 square feet of gaming space. The gaming space includes approximately 2,000 slot machines, 70 table games and a simulcast race-track facility. It also has approximately 58,000 square feet of convention, ballroom and meeting space, a 540-seat cabaret-type theater, seven restaurants, a health spa and other amenities. It has a nine-story parking garage which can accommodate 3,000 cars, an 11-bay bus terminal and a roof-top helipad. Approximately 1.5 acres of Trump Marina's land is suitable for development. Trump Marina also owns an employee parking lot located on Route 30 in Atlantic City.

4. Holding and Intermediary Companies

TER Holdings. TER Holdings is a Delaware-limited partnership and is a qualified holding company under the Act, wholly owning the three casino licensees. Publicly-traded Trump Entertainment (TER) is the sole general partner of TER Holdings and the limited partners of TER Holdings are DJT, **TCI 2** and **TCI**. DJT, a natural person qualifier under the Act, is the sole shareholder of TCI, a qualified company under the Act which survived the bankruptcy reorganization and which holds less than a 1% interest in TER Holdings. TCI 2, also qualified under the Act, is a Delaware-limited liability company and is wholly owned by Trump Entertainment and holds less than a 1% interest in TER Holdings. In sum

and as noted, Trump Entertainment holds approximately 76.5% and DJT approximately 23.5% of TER Holdings which wholly owns the three Trump casino licensees.

TER Holdings also wholly owns TER Funding which, with TER Holdings, is the co-issuer of approximately \$1.25 billion senior notes at 8.5% interest due in 2015 ("Senior Notes") secured by all the assets of TER Holdings, including the three casino licensees. In addition, TER Holdings has a \$500 million credit facility ("Credit Facility")⁵ which consists of Term Loan A in the original amount of \$150 million, Term Loan B also in the original amount of \$150 million (together, "Term Loans") and \$200 million in a revolving credit facility ("Revolver"). The entire Credit Facility is secured by all the assets of TER Holdings, including the three casino licensees, and its security has priority over the Senior Notes. The Term Loans mature on May 20, 2012, and the Revolver matures on May 20, 2010. As of December 31, 2006, there were outstanding borrowings on Term Loan A only totalling approximately \$148 million for bankruptcy reorganization expenses including repayment of debtor-in-possession financing.

In addition to the three casino licensees, TER Holdings wholly owns Trump Entertainment Resorts Development Company, LLC. On January 11, 2007, it acquired two lots at 15 - 29 South Pennsylvania Avenue in Atlantic City, near Trump Taj Mahal, from the New Jersey Casino Reinvestment Development Authority. This property consists of a former fire station which has been reconstructed into corporate offices and a surface

⁵Identified in the bankruptcy reorganization proceedings as "Exit Facility."

parking area. TER Holdings no longer owns Trump Indiana, Inc. ("Trump Indiana"), the assets of which have been sold and the details of which are addressed later in this report.

TER. Trump Entertainment, headquartered in Atlantic City, is a publicly-traded Delaware corporation and a qualified holding company under the Act. As noted, it held as of the effective date of the bankruptcy reorganization in May 2005, through TER Holdings, approximately 76.5% of the three Trump casino licensees. It reports leasing office space in Trump Tower in New York City for general, executive and administrative purposes from DJT's Trump Tower Commercial, LLC, expiring on August 31, 2010. It wholly owns TER Management Co., LLC, which was formed to manage its slot machine facility proposed for Philadelphia, Pennsylvania.

Trump Entertainment is authorized to issue 75 million shares of common stock. It has two classes of common stock--Class A and Class B.⁶ There are outstanding 900 shares of Class B common, all of which are beneficially owned by DJT as a consequence of his individual interest in TER Holdings and the interest in TER Holdings by TCI of which DJT is the sole shareholder. These 900 Class B shares have the voting equivalency of 9,377,484 shares of common stock. As to the Class A common stock, there are outstanding approximately 30,990,902 shares as of December 31, 2006, and each share

⁶Technically, TER's charter does not refer to "Class A" common stock, only "common stock." Nevertheless, the term "Class A" has been used and is used herein to distinguish it from Class B.

of common stock has one vote.⁷ Thus, in terms of voting securities (Class A + Class B), there are approximately 40,368,386 shares of common stock outstanding as of December 31, 2006. Of this total, DJT beneficially owns 26.25%.⁸

TER's common stock began trading on the NASDAQ Global Market in September 2005 under the ticker symbol "TRMP." The stock has never paid a dividend and the company does not expect to pay dividends for the foreseeable future.

In accordance with Trump Entertainment's charter and its voting agreement with DJT, both of which became effective in conjunction with the bankruptcy plan of reorganization on May 20, 2005, Trump Entertainment's Board of Directors consists of nine

⁷DJT also holds approximately 1.22 million shares of the Class A stock, most of which he obtained on May 10, 2006, by exercising Class A warrants he received in the bankruptcy reorganization. It is noted that there were a total of approximately 3.43 million Class A warrants to purchase common stock issued in connection with the bankruptcy reorganization. DJT received, as noted, approximately 1.22 million of these warrants which he exercised. The remainder--approximately 2.2 million warrants--were distributed to others in the bankruptcy reorganization and all have been exercised by May 20, 2006, with the exception of approximately 220,379. The cash proceeds from the exercise of these warrants, plus the corresponding shares of common stock represented by the unexercised warrants, were, as provided in the bankruptcy plan of reorganization, distributed to the noteholders in the bankruptcy.

⁸DJT also has approximately 1,446,707 so-called "10-year DJT" warrants to acquire TER common stock which he received in the bankruptcy reorganization. They are exercisable at \$21.90 a share until May 20, 2015, at which point, if not exercised, they become void. If he exercises them, DJT would then hold approximately 28.8% of TER's voting securities.

directors that can be increased to ten in the event TER's Chief Executive Officer is not already a director.⁹ The Board is divided into three classes, each of which consists of three directors. The current Class I Directors are Edward H. D'Alelio and James J. Florio. Wallace B. Askins, a Board member since 1995, resigned effective May 2, 2007, as announced by TER in a SEC filing dated May 3, 2007; the current Class II Directors are Cezar M. Froelich, Michael A. Kramer and Don M. Thomas; and, the current Class III Directors are Morton E. Handel, James Perry and DJT.¹⁰ DJT is the Board's Chairman.

One Class I Director, two Class II Directors, and two Class III Directors are designated as "Class A Directors" and they are Messrs. D'Alelio, Froelich, Handel, Kramer and Perry. The Class A Directors, as a group, have the sole authority and power to nominate persons to serve as Class A Directors and to fill any vacancy therein until 2010 or such time as the stockholders fail to elect DJT to the Board. During this time period, each Class A Director must be re-nominated to serve for successive terms unless such director declines or is unable to be so re-nominated. In addition, during this period, each Board committee must be comprised of a majority of Class A Directors. One Class I Director, one Class II Director and one Class III Director are designated as "Investor Board Members" and are currently Messrs. Thomas and Trump with a vacancy due to Mr. Askins'

⁹TER's present Chief Executive Officer is James Perry who is a member of the Board.

¹⁰In an SEC filing dated May 3, 2007, it was announced that Mr. Froelich would not serve as a Board member beyond the expiration of his current term in 2009. In the same filing, Mr. Askins' resignation was noted and that DJT intended to designate Ivanka M. Trump, his daughter, as Mr. Askins' replacement on the Board, subject to regulatory approval.

resignation. As long as DJT's services agreement¹¹ with TER is in effect, DJT is entitled to nominate three Investor Board Members which number can be reduced to the extent DJT's beneficial ownership of the common stock falls below certain levels, provided that DJT is one of the Investor Board Members at all times. DJT is entitled to designate a replacement or substitute for an Investor Board Member. One Class I Director is designated as "Mutual Board Member" and is currently Mr. Florio. So long as DJT owns not less than 5% of the common stock, the Mutual Board Member must be acceptable to DJT and, in the event he owns less than 5% of the common stock, the Mutual Board Member must be acceptable to a majority of Class A Directors.

At Trump Entertainment's stockholders' meeting held on May 2, 2007, three Class III Directors were up for election--Messrs. Trump, Perry and Handel--and the Board recommended their election and they were re-elected. Each is expected to hold office until the shareholders' meeting in year 2010. The Class I Directors are expected to serve until the company's 2008 shareholders' meeting and the Class II Directors are expected to serve until the 2009 stockholders' meeting.

The Board has five committees: Audit, Compensation, Corporate Governance and Nominating, Executive, and Strategic. Among other things, the Audit Committee selects and compensates the independent auditors and oversees the performance of TER's

¹¹Generally, the services agreement with DJT provides that he shall serve as Chairman of the Board of Directors and provide other services in return for compensation. More detail regarding the services agreement is provided *infra*.

internal audit and surveillance functions. The Audit Committee members are currently, in view of Mr. Askins' recent resignation, Messrs. Kramer (Chairman) and D'Alelio. The Compensation Committee, among other things, oversees the company's compensation policies and practices including those relating to incentive compensation, retirement programs, the compensation and material employment terms of senior executive officers and any other employee benefit plan. Members of the Compensation Committee are Messrs. Handel (Chairman), D'Alelio and Thomas. The Corporate Governance and Nominating Committee, among other things, develops and recommends the governance processes and principles applicable to the company and recommends for Board approval determinations as to director independence. It should be noted that nominations for election of directors are not made by this committee since, as noted above, nominations are made pursuant to the voting agreement with DJT. The members of the Corporate Governance and Nominating Committee are Messrs. Florio (Chairman), Froelich and Thomas. Among other things, the Executive Committee provides advice and counsel to management with respect to strategy and business plans, including matters related to potential mergers, acquisitions, divestitures, capital restructuring, prospective offerings, etc. The Executive Committee members are DJT (Chairman), and Messrs. Froelich and Handel. The Strategic Committee was formed in March 2007 and its members are Messrs. Handel (Chairman), D'Alelio and Kramer. Its duties are to review, evaluate and

make recommendations to the Board regarding strategic corporate options including capital structure, financing and "value creation."

Other than the voting agreement regarding membership of the Board of Directors and the services agreement, both noted previously, TER and DJT have a trademark license agreement whereby TER has a perpetual, exclusive and royalty-free license to use DJT's name and likeness, subject to terms and conditions. With regard to the services agreement, it provides that DJT will receive an annual fee of \$2 million, may be entitled to an annual bonus if the Board's Compensation Committee so decides, must participate in up to six promotional events in a year, and will be paid for travel and administrative expenses in connection therewith. The services agreement has an initial term of three years and may be automatically extended so that the remaining term will always be three years. For 2006, DJT was paid the \$2 million fee under the services agreement.

Also, TER, on May 20, 2005, entered into a right of first offer agreement with The Trump Organization, LLC, DJT's private real estate company, whereby for three years the latter has the right of first offer ("ROFO") to serve as development/project/construction manager or general contractor with respect to any casino-related project with at least a \$35 million budget to be performed by third parties on TER's existing or future properties, which can be extended for another three years. In September 2006, this agreement was amended to provide that, if The Trump Organization does not exercise the right of first offer, it shall be paid a monthly retainer for cost saving services for any such project plus

a percentage of the cost savings realized. The amendment expires on May 19, 2008, and is not presently expected to be extended. The Trump Organization did not exercise its right of first offer with respect to the Taj Mahal hotel tower project currently under construction but is providing cost savings services with respect thereto. For the year ended December 31, 2006, The Trump Organization was paid approximately \$1.1 million for these cost savings services with respect to the Taj Mahal project which included \$350,000 in monthly fees and \$700,875 in cost savings commissions.

In addition, the TER Holdings' partnership agreement contains tax distribution and indemnification provisions which require the affirmative vote of DJT with respect to the sale or transfer of one or more of the casino licensees, provided that TER may sell or transfer such properties without DJT's consent if TER indemnifies DJT up to \$100 million for federal income tax consequences associated therewith. These provisions also resulted in a payment to DJT of approximately \$3 million in 2006 for certain tax distributions.

For 2006, the top three executive compensations at TER were: James Perry, Chief Executive Officer, approximately \$2.5 million; Mark Juliano, Chief Operating Officer, approximately \$2.8 million; and, Dale Black, Executive Vice President and Chief Financial Officer, \$950,000.¹²

¹²Includes salary, certain stock awards, certain options, incentive bonuses and other compensation.

C. INDIVIDUALS

There are 61 individuals who must qualify to the standards applicable to casino employees in connection with the within petition for renewal of casino licenses. See N.J.S.A. 5:12-85c and 5:12-85d. (There were 63 qualifying individuals identified at the last renewal in 2003.) These natural person qualifiers are officers and directors of the three casino licensees and their holding and intermediary companies. These qualifying individuals and their positions with each qualifying entity are set forth on the attached Exhibits A, B and C. With the exception of Cheryl Wilson and Ravneet Bhandari, the Commission has previously approved the qualifications of all of these individuals. As of the date of this report, the Division has not developed any negative information that would prevent the continued qualification of those individuals listed on Exhibits A, B and C. As to Ms. Wilson and Mr. Bhandari, as noted on the Exhibits, they are pending key qualification for the positions indicated and the Division expects to be able to report on them prior to June 26, 2007.

Occasioned primarily as a result of the bankruptcy reorganization in May 2005, there have been a number of significant executive-level changes since the prior license renewals. Among them are: James Perry, TER Board of Directors member, Chief Executive Officer and President since July 2005 replacing DJT as Chief Executive Officer. DJT remains Chairman of the Board of Directors; Mark Juliano was named TER's Chief Operating Officer in July 2005, overseeing all three properties, replacing Mark Brown. Mr. Juliano is also Trump Taj Mahal's General Manager; Dale Black became Executive Vice

President and Chief Financial Officer in November 2005 replacing Francis X. McCarthy, Jr.; and, Jim Rigot became General Manager of Trump Plaza in September 2005 replacing Matthew Harkness. Also, in October 2005, Virginia McDowell was named Executive Vice President and Chief Information Officer and Paul Keller was named Executive Vice President of Design and Construction and Rosalind Krause was named Assistant General Manager of Trump Taj Mahal in September 2005. Cathy Walker is Trump Marina's General Manager. Unrelated to the company's reorganization, Trump Taj Mahal's Vice President of Purchasing, George Klima, was terminated in October 2006.¹³ He was replaced by Vickie O'Donovan, Vice President of Purchasing for all three properties.

As noted previously, Wallace B. Askins resigned as a member of the Board of Directors effective May 2, 2007. It was announced that DJT intends to designate his daughter, Ivanka M. Trump, as Mr. Askins' replacement, subject to regulatory approval.

It is noted that since the last renewal proceedings in 2003, the total number of all employees at the three casino licensees has decreased by approximately 400. As appears from the SEC Form 10-K annual filings, the approximate number of full-time equivalent employees working at all three properties at year end was 7,700 in 2003, 7,675 in 2004, 7,500 in 2005, and 7,300 in 2006. As of December 31, 2006, it was reported that Trump

¹³Mr. Klima was charged with attempted commercial bribery in connection with his position with Trump Taj Mahal. He entered PTI. His key license (#4756-11) was revoked by the Commission in November 2006.

Taj Mahal had 3,400 full-time equivalent employees, Trump Plaza had 2,100, and Trump Marina had 1,800.

D. FINANCIAL SOURCES

With regard to the Senior Notes, TER Holdings and TER Funding as co-issuers would be financial sources of the casino licensees under Section 84b of the Act. Each has been qualified as such in the past and the Division does not object to their continued qualification. U.S. Bank National Association, as indenture trustee for the Senior Notes, would also be a Section 84b financial source; however, it was exempted from having to qualify as such (as well as under Sections 85c and d of the Act), provided it cooperated with the Commission and Division, pursuant to the Commission's ruling in the bankruptcy plan of reorganization. See Commission Resolution No. 05-05-04, para. 9, dated May 4, 2005.

Also, assuming the pending Material Debt Transactions are approved by the Commission, TER Holdings would also be a Section 84b financial source with regard to the three Grid Notes it will hold from the casino licensees evidencing borrowings totalling \$375 million.¹⁴

With regard to the Credit Facility, Morgan Stanley and UBS Loan Finance, LLC, and

¹⁴PRN 0670703. Details of this matter are more fully addressed in the Financial Analysis section of this report.

UBS Securities, LLC ("UBS"), administrative agent and syndication agent, respectively, were also exempted from having to qualify as Section 84b financial sources (as well as under Sections 85c and d of the Act) with regard thereto provided that each cooperated with the Commission and Division. See Commission Resolution No. 05-05-04, para. 10. As to the Term Loans portion of the Credit Facility (Term Loan A and Term Loan B), there are approximately forty entities/funds which are identified as participants. As to the Revolver portion, there are approximately ten entities/funds which are identified as participants.¹⁵

E. SECURITY HOLDERS

As noted previously, as a consequence of his individual interest in TER Holdings and the interest in TER Holdings by TCI of which DJT is the sole shareholder, DJT beneficially owns approximately 26.25% of the 40,368,386 shares of voting common stock of Trump Entertainment. Because of this equity position, DJT is a security holder who must meet the qualification requirements under the Act; and, based on his position with Trump Entertainment and other related entities, he is also required to qualify with regard

¹⁵There are five entities which could be considered Section 84b financial sources but which are regulated under the casino service industry provisions of the Act. The three casino licensees maintain capital equipment leases with the lessors. They are: Avaya, Inc. of New Jersey, a non-gaming casino service industry licensee (VID #58646); Central Leasing of NJ, LLC, a non-gaming casino service industry licensee (VID #62949); IBM Corporation of Pennsylvania, a non-gaming casino service industry licensee (VID #01684); PDS Gaming Corporation of Nevada, a gaming-related casino service industry applicant (VID #46632); and, Shuffle Master, Inc. of Nevada, a gaming-related casino service industry applicant (VID #37691).

thereto. He has made the appropriate disclosure filings and there is no negative information that would preclude his continued qualification.

Other than DJT, the significant equity security holders are:

Goldman Sachs & Co. In January 2007, Goldman Sachs petitioned the Commission for an institutional investor waiver from qualification pursuant to Section 85f of the Act with regard to equity holdings in Trump Entertainment. At that time, Goldman Sachs held 4.16% of the outstanding voting common stock (Class A + Class B shares) but sought waiver for holdings in excess of 5% but not greater than 10% based upon its intention to acquire more stock. In Commission Order No. 07-INV-1 dated February 7, 2007, a Section 85f institutional investor waiver was granted to Goldman Sachs to hold greater than 5% but less than 10% of the voting common stock of Trump Entertainment. The Division would not oppose the continuation of the Section 85f institutional investor waiver granted by Order No. 07-INV-1.

Franklin Mutual Advisors, LLC. In Commission Resolution No. 05-05-11-18 (PRN 1300501) dated May 11, 2005, Franklin Mutual was granted a good-cause institutional investor waiver pursuant to Section 85f of the Act for more than 10% but less than 15% of Trump Entertainment's equity securities provided that Franklin Mutual advised the Commission and Division of its updated holdings as such holdings were acquired or disposed. This ruling was made in the context of the bankruptcy reorganization of Trump

Entertainment's predecessor company whereunder Franklin Mutual exchanged its debt holdings in the bankrupt companies for cash, debt in the reorganized company, and Trump Entertainment (new) common stock. Since then, Franklin Mutual has periodically advised the Division of its equity holdings in Trump Entertainment and, in the most recent e-mail notice and SEC Schedule 13G filing, as of December 31, 2006, it held 5,141,843 shares of common stock which represents approximately 12.7% of the total voting stock outstanding.¹⁶ A letter and certification, the latter dated April 24, 2007, from Franklin Mutual reiterates its good cause request for a waiver. The Division would not oppose the continuation of a Section 85f institutional investor waiver for Franklin Mutual.

Morgan Stanley. On March 1, 2006, the Commission issued Resolution No. 06-03-01-9 (PRN 0330608) granting Morgan Stanley & Co. and an affiliated company ("Morgan Stanley") a good-cause institutional investor waiver pursuant to Section 85f of the Act for up to 15% of the voting common stock of Trump Entertainment. At the time of that matter, Morgan Stanley held 5,473,243 shares of Class A common stock. As of December 31, 2006, Morgan Stanley reported holding 5,552,363 shares which represents approximately 13.75% of the outstanding amount of voting securities.^{17,18} In a submission

¹⁶With regard to the outstanding amount of Class A shares only (30,990,902), this amount represents approximately 16.6%.

¹⁷In terms of Class A shares only, this amount of Morgan Stanley's holdings is approximately 17.92%.

¹⁸Morgan Stanley's reported holdings as of December 31, 2006, includes the shares of common stock it received by the exercise of its Class A warrants prior to May 20, 2006, which were obtained in the bankruptcy reorganization a year earlier, and its pro rata share of the approximate 220,379 warrants (converted into common stock) that remained

(PRN 1290709) dated May 9, 2007, amended on May 11, 2007, from Morgan Stanley's counsel and a certification from Edgar Sabounghi, a Morgan Stanley managing director, Morgan Stanley reiterated its request for a good-cause waiver, noting that it held approximately 13.73% of TER's voting securities. The Division would not oppose a continuation of the Section 85f institutional investor waiver granted Morgan Stanley in Commission Resolution No. 06-03-01-9.

It should be noted that Morgan Stanley obtained a similar waiver on May 11, 2005, at the time of the bankruptcy reorganization (Commission Resolution No. 05-05-11-8). It should also be noted that, by agreement dated May 20, 2005, between Trump Entertainment and Morgan Stanley, it is provided that Morgan Stanley agreed to neutralize its voting ability with respect to shares in Trump Entertainment that it beneficially owned in excess of 9.9% (the "Voting Restriction Agreement"). However, the provisions of the Voting Restriction Agreement were not utilized at the reorganized company's first stockholders' meeting on October 6, 2005, and appear not to have been utilized at subsequent shareholders' meetings although it may be that it made no difference in the outcome of the proposals voted upon. Be that as it may, we have been advised that appropriate procedures were put in place for TER's shareholders' meeting held on May 2, 2007, that gave effect to the Voting Restriction Agreement.¹⁹ Also, a unit of Morgan

unexercised by May 20, 2006.

¹⁹Held in New York City. As noted previously and as appears from SEC Schedule 14A dated April 3, 2007, the proposals voted on included the election of three members of TER's Board of Directors, ratification of the appointment of Ernst & Young, LLP, as independent auditors and any other matter that properly came before the meeting. All

Stanley, Morgan Stanley Senior Funding, Inc., is, as noted previously, administrative agent with respect to the \$500 million (original amount) Credit Facility that TER Holdings has with a syndicate of bank lenders. Incidentally, Morgan Stanley acquired in May 2006 the approximate 20-acre site on the Boardwalk adjacent to Showboat Hotel Casino known as North Beach and formerly owned by MGM Mirage.²⁰

On May 7, 2007, an SEC Schedule 13D dated May 4, 2007, was received wherein Prides Capital Partners, LLC ("Prides Capital"), reported beneficially holding 3,093,569 shares of TER common stock. It appears that approximately 1.25 million of this amount were call options acquired at various times between March 13 and April 30, 2007, for various prices up to \$2.25 per call option. All the call options expire on July 20, 2007, and most have a strike price of \$17.50 with 200,000 options having a \$20.00 strike price. Any options "out of the money" on the expiration date (*i.e.*, any option for which the exercise price is greater than the market price of the underlying stock) will expire unexercised.²¹ Putting aside the call options, Prides Capital held as of May 4, 2007, approximately

proposals passed.

²⁰Morgan Stanley is a defendant in two separate lawsuits arising out of this acquisition. One action, initially filed in the Superior Court of New Jersey (Atlantic County) in October 2006 then removed to the United States District Court, District of New Jersey, was initiated by Audrey Oswell generally claiming that Morgan Stanley breached its promises and agreements with her regarding the North Beach transaction. The other action was filed in the United States District Court, District of New Jersey, by Resorts International Hotel, Inc. in January 2007 claiming that Morgan Stanley had improperly induced Ms. Oswell, Resorts' former Chief Executive Officer, to act to the detriment of Resorts regarding the North Beach transaction. Among other relief, Resorts seeks to have the North Beach property placed in a constructive trust for its benefit.

²¹TER's stock closed on May 9, 2007, at \$15.02 on the NASDAQ.

1,846,669 shares of common stock which computes to approximately 4.6% of TER's outstanding voting securities.^{22,23} This is substantially the same position as of December 31, 2006, as reported by Prides Capital in a SEC filing.

In sum, other than DJT who must qualify, and other than Goldman Sachs, Franklin Mutual and Morgan Stanley for whom we do not oppose continuation of institutional investor waivers under Section 85f of the Act as noted above, and based on the information set forth hereinabove, the Director of the Division would concur in a waiver of qualification for all other equity security holders of Trump Entertainment pursuant to Section 85d of the Act. However, as to Prides Capital and three of the entities noted in footnote 23 (Anchorage, Eaton Vance and Jana Partners), the casino licensees and TER should closely monitor their holdings and take action to cause compliance with the requirements of the Act should their holdings reach 5% or above.

²²In terms of Class A common only, this amount computes to approximately 5.9%.

²³The following is noted with regard to SEC Schedule 13Gs filed in January and February 2007 and from other information: Anchorage Capital Master Offshore, Ltd., and affiliated entities and individuals reported holding 1,888,994 shares or approximately 6.1% of the Class A shares outstanding. This computes to approximately 4.7% of the voting common stock outstanding (Class A + Class B); Eaton Vance Management reported it held 1,721,457 shares or approximately 5.6% of Class A shares which computes to approximately 4.3% of the voting common; Jana Partners, LLC, reported holding 1,690,450 shares or approximately 5.5% of Class A shares which computes to approximately 4.2% of the voting common; Ore Hill Hub Fund, Ltd., and an affiliated entity reported that it ceased to be the beneficial owner of more than 5% of TER's Class A shares; and, Mason Capital Management, LLC, and affiliated entities reported that it held no shares of TER (it had reported holding, in September 2006, approximately 6.3% of the Class A shares).

With regard to the holders of the Senior Notes, it was ruled in Commission Resolution No. 05-05-04, para. 7, dated May 4, 2005, in connection with the bankruptcy plan of reorganization, that these securities will be widely distributed and freely traded in the public market and that no holder thereof need be qualified as a financial source under Section 84b of the Act and also that their qualification as security holders is waived subject to the Commission's right to determine for any specific holder that qualification is required and provided that the licensees obtain and provide from the Depository Trust Corporation ("DTC"), or comparable entity, a security position listing to the Commission and Division. In paragraphs 26 - 28 of the within renewal petition, petitioners represent that no holder other than an institutional investor holds more than 5% of the Senior Notes, that no institutional investor holds in excess of 15% thereof, that the Senior Notes are widely distributed and freely traded in the public market, and requests that qualification be waived.

We have reviewed a DTC listing of Senior Note holders provided by management and it shows that, as of February 23, 2007, no holder listed thereon holds more than 14.5% of the notes. Accordingly, all holders of the Senior Notes can be waived and the Director of the Division would concur should the Commission be so inclined.

2. Trump Indiana

In December 2005, Trump Entertainment sold all of the assets of Trump Indiana through which it and its predecessor owned and operated Trump Casino Hotel, a riverboat casino and hotel at Buffington Harbor, near Gary, Indiana, for a gross sale price of \$253 million. This transaction resulted in approximately \$227 million in net proceeds. The sale was made to The Majestic Star Casino, LLC, which was a joint venturer with Trump Entertainment in the riverboat's supporting land-based and waterside operations, including a parking garage, all of which was also part of the transaction. Trump Entertainment's predecessor company had opened the facility in 1996 and had operated it until the sale.

3. Orange County (French Lick), Indiana

In April 2004, Trump Entertainment's predecessor submitted a formal proposal to the Indiana Gaming Commission to build and operate a \$123.5 million casino property in Orange County, Indiana, near French Lick. The proposal included the construction of a riverboat-style gaming facility, the purchase and complete restoration of the historic West Baden Springs Historical Landmark, and financial support for improvements to additional area landmarks including the French Lick Springs Resort and Spa and the Indiana Railway Museum. The facility was expected to employ more than 600 people and was projected to open in early 2006. In March 2005, it was announced by the Indiana Gaming Commission that negotiations with Trump Entertainment on the project were discontinued. As reported, it appears negotiations ended because of the company's bankruptcy reorganization and financial problems.

III. SIGNIFICANT EVENTS AND OTHER INFORMATION

A. FOREIGN GAMING INITIATIVES

Since the filing of the Division's Prior Renewal Report in June 2003, the following has occurred with regard to Trump Entertainment's gaming initiatives outside of Atlantic City. As noted, nearly all efforts have been discontinued.

1. Pennsylvania

In July 2004, the Pennsylvania Legislature enacted the Race Horse Development and Gaming Act which authorized a total of up to 61,000 slot machines in up to 14 different locations in the State of Pennsylvania, seven at race tracks, five at slot parlors with two of the latter in Philadelphia, one in Pittsburgh and two elsewhere, and two more at established resorts. Beginning in late 2005, various subsidiaries of Trump Entertainment entered into agreements to pursue one of the two Philadelphia gaming licenses and proposed to situate a gaming facility on a large tract located near Interstate 76 and Pennsylvania Route 1 in Philadelphia, dubbed TrumpStreet Casino and Entertainment Complex. However, on December 20, 2006, Pennsylvania's Gaming Board awarded the licenses to two entities other than Keystone Redevelopment Partners, LLC, the Trump Entertainment subsidiary involved in the matter. The licenses were awarded to SugarHouse Gaming and Philadelphia Entertainment & Development Partners (Mashantucket Pequot Tribal Nation/Foxwoods). All agreements that had been entered into either ended according to their terms or were soon thereafter terminated by Trump Entertainment.

4. Mississippi

In June 2006, Trump Entertainment entered into a letter of intent with Diamondhead Casino Corporation to form a joint venture partnership to develop, build and operate a destination casino resort in Diamondhead, Mississippi. The joint venture intended to include 40 acres fronting Interstate 10 in Hancock County, Mississippi. Following Hurricane Katrina, the State of Mississippi authorized a law permitting casinos to build on land up to 800 feet from the mean high water line of certain bodies of water, which law applied to the Diamondhead property. In February 2007, Diamondhead Casino Corporation announced that negotiations with Trump Entertainment had concluded and that it would not be moving forward with the joint venture. Trump Entertainment reported that it decided not to pursue the opportunity for strategic reasons.

5. Rhode Island

Trump Entertainment actively pursued a potential gaming venture in Johnston, Rhode Island, near Providence. In February 2006, an effort was begun to persuade Rhode Island legislators to establish terms and tax rates independently and then allow competitive bidding for any new casino licenses. Shortly thereafter, Trump Entertainment and its development partner, Ajax Gaming Venture, LLC, met with the Johnston town council and presented plans for a potential \$750 million - \$1 billion facility that would include a casino, hotel, 30,000 square feet of retail space and approximately 5,000 square feet of entertainment space on a 112-acre site. However, as reported, Trump Entertainment was

unsuccessful in its efforts to obtain an open bidding process for casino licenses in Rhode Island and voters subsequently rejected a constitutional amendment to allow additional gaming.

6. Trump 29 Casino

In December 2004, Trump Entertainment's predecessor announced an agreement whereby it would transfer management of the Trump 29 Casino near Palm Springs, California, to the Twenty-Nine Palms Band of Luiseno Mission Indians of California. The tribe agreed to pay a transfer fee of \$6 million. Trump Entertainment's predecessor had managed the facility since April 2002. As announced, the transfer occurred because of the mutual belief that the tribe was able to manage the property on its own.

7. Canouan Island

In September 2003, Trump Entertainment's predecessor agreed to provide management services to Canouan Resorts Development, Ltd., which developed a resort complex on Canouan Island in St. Vincent and the Grenadines in the Caribbean. A subsidiary will manage the club-style 8,600 square foot casino for an initial five-year term beginning June 1, 2004, renewable thereafter. We are advised that the arrangement is ongoing and consists of eleven table games and thirty-eight slot machines.

8. Nevada

In July 2002 and again in December 2002, DJT acquired a total of 358,000 shares of Riviera Holdings Corporation--approximately 10%--which owns and operates the Riviera

Hotel & Casino in Las Vegas and another gaming facility in Black Hawk, Colorado. DJT granted one of Trump Entertainment's predecessor subsidiaries, at no cost, options to purchase these shares. As a consequence of these transactions, DJT and certain of Trump Entertainment's predecessor subsidiaries were required to file for findings of suitability with the Nevada Gaming Commission which, on February 19, 2004, issued such a ruling. On April 5, 2004, DJT sold all of the Riviera stock. According to Trump Entertainment's most recent SEC Form 10-K, it is still a registered corporation under the Nevada Gaming Control Act. We are aware of no present active efforts by Trump Entertainment or its subsidiaries or affiliates in the State of Nevada with respect to gaming.

B. WORLD'S FAIR

As contemplated under the bankruptcy plan of reorganization, the former World's Fair site in Atlantic City was sold by Trump Entertainment at auction for \$25.15 million in September 2005. Holders of the common stock of the bankrupt entity, THCR, other than DJT, received a pro rata share of the net proceeds pursuant to bankruptcy order, dated May 12, 2006.

This 2.5 acre L-shaped property, bordered by Florida and Bellevue Avenues, opened in 1981 as the Playboy Casino Hotel and rose 22 stories high. In 1984, the building became the Atlantis Casino Hotel and then, in 1989, the non-casino hotel Trump Regency. The latter became the World's Fair Casino in 1996, part of Trump Plaza Hotel and Casino. It closed in 1999 and the building was subsequently razed.

The purchaser at auction was BET Investments, owned by Bruce E. Toll of Toll Brothers, Inc., who reportedly outbid DJT. Use of this site was deed restricted by Trump Entertainment in that it cannot be redeveloped for a casino project.

C. STRATEGIC ALTERNATIVES

In March 2007, Trump Entertainment announced that it had retained Merrill Lynch & Co. to assist it in the identification and evaluation of "strategic corporate options including, but not limited to, capital structure, financing and value-creation alternatives." Reportedly, among the strategic alternatives to be considered could include a sale of one or more of the casino licensees. In this regard, as noted previously, TER Holdings' partnership agreement contains an indemnification clause which may result in payments to DJT upon the disposition of any of the existing casino properties. The amount of these indemnification payments would be sufficient in amount to cover the impact of such a disposition on DJT for federal income tax consequences up to \$100 million if DJT does not consent to any such transaction.

Presumably prompting this engagement of a strategic advisor were published reports in late October/early November 2006, and resulting speculation, that Steve Wynn of Las Vegas' Wynn Resorts was interested in acquiring the Trump Plaza site and the adjacent Boardwalk Hall owned by the New Jersey Sports and Exposition Authority.

On May 17, 2007, TER announced that the Board of Directors' Strategic Committee, chaired by Morton Handel, has received "preliminary and conditional indications of interest from parties proposing to acquire the Company." It was also announced that the Strategic Committee retained the law firm of Kirkland & Ellis as its legal advisors.

D. LITIGATION

1. Pequot Tribe Litigation

In May 2003, a Trump Entertainment subsidiary, TER Development, filed a complaint against, among others, the Paucatuck Eastern Pequot Indian Tribal Nation (the "Pequot Tribe") and Eastern Capital Development, Inc. ("ECD") in the Superior Court of New London, Connecticut. TER Development alleged fraud, breach of contract, conspiracy, violation of unfair trade practice laws and intentional interference with contractual relations by ECD in connection with certain arrangements between TER Development and the Pequot Tribe. In those arrangements, TER Development alleged that it had agreed to support the efforts of the Pequot Tribe to obtain federal recognition and together they had agreed to exercise reasonable efforts to pursue the operation of a tribal gaming facility to be managed by TER. In the suit, TER Development sought compensatory and punitive damages and a finding that ECD interfered with TER Development's business relationship with the Tribe and that certain members of the Pequot Tribe Tribal Council are in default of contractual arrangements in the sum of approximately \$10 million. A motion to dismiss was denied which has been appealed by the Pequot Tribe. In October 2005, the Bureau of Indian Affairs of the U.S. Department

of Interior denied the application of the Pequot Tribe for federal recognition, which is a prerequisite for developing a gaming facility. As of December 31, 2006, the parties are engaged in mediation and settlement discussions.

2. DLJ Merchant Bank

DLJ Merchant Banking Partners III, LP ("DLJMB"), filed proofs of claims in the bankruptcy reorganization in which DLJMB alleged that it was due in excess of \$26 million for fees and expenses in connection with a proposed recapitalization of THCR that was pursued in 2004. Trump Entertainment disputed the validity of the claims and, on October 6, 2005, commenced proceedings in the bankruptcy court seeking, among other relief, entry of an order disallowing and expunging the claims. On or about March 8, 2006, Trump Entertainment and DLJMB entered into an agreement to settle the claims for \$

3. Power Plant Entertainment, LLC, Litigation

In December 2004, a subsidiary of Trump Entertainment filed a complaint against Power Plant Entertainment, LLC, Richard T. Fields, Coastal Development, LLC, Native American Development, LLC, Joseph S. Weinberg, and The Cordish Company in the Superior Court of the 17th Judicial District for Broward County, Florida, alleging that the defendants improperly obtained certain agreements with the Seminole Tribe of Florida to the detriment of Trump Entertainment. The complaint alleged claims for fraud, breach of fiduciary duty, conspiracy, violation of unfair trade practices and interference with prospective business relationships. As of December 31, 2006, Trump Entertainment reported that it has commenced discovery including ongoing depositions.

4. New Jersey Division of Taxation

Trump Entertainment has not remitted tax payments that may be due from the company's New Jersey partnerships because Trump Entertainment believes those partnerships are exempt from state income tax for its New Jersey operations computed under the alternative minimum assessment method. The New Jersey Division of Taxation has issued an assessment to collect the unpaid taxes for the tax years 2002 and 2003. At December 31, 2006, the company has accrued \$23.8 million for taxes and interest relating to the tax assessment for 2002 and 2003 as well as the open years of 2004 through 2006. As of December 31, 2006, Trump Entertainment advised that it is currently in discussions with the New Jersey Division of Taxation regarding settlement of these assessments.

5. South Jersey Transportation Authority

On September 18, 2006, the Superior Court of New Jersey entered a consent order of settlement and dismissal with respect to a complaint filed by TER's predecessor against the South Jersey Transportation Authority ("SJTA") in November 2003. The suit involved the tunnel project and the alleged breach by SJTA of its development agreement to the detriment of Trump Marina. The settlement provided for the payment by SJTA of \$1.75 million, \$1 million of which was to be paid by October 16, 2006, and the remainder by March 30, 2007.

E. TAJ MAHAL IMPROVEMENT

On July 31, 2006, ground was broken on a new 786-room hotel tower at Trump Taj Mahal, rising 40 stories, which will be located off the Boardwalk behind Xanadu Theater. It is planned to connect to the present 39-story tower at the third floor. At present, it appears the project is about 5% completed--up to the fourth floor. The estimated cost for the project is \$250 million, including infrastructure improvements and connections necessary to integrate the new tower with the existing facility.

It is anticipated that this significant improvement to the Taj Mahal facility will open in the third quarter of 2008. When opened, the number of rooms at Trump Taj Mahal will increase to approximately 2,036 from 1,250.

F. GROWTH STRATEGY

The Trump Taj Mahal improvement noted above is part of an announced strategic agenda by Trump Entertainment to establish a solid business foundation for business turnaround. Following the bankruptcy reorganization in May 2005, the plan is to "transform the company from an organization struggling to survive to a company poised for growth." Generally, these strategies are to re-establish the company as an industry-leading operator by delivering an improved entertainment experience; strengthen the company financially by establishing cash flow discipline, improving margins and committing to a strong balance sheet; capitalize on the worldwide prominence of the Trump brand by exploring

opportunities for growth; create a culture built around customer satisfaction and employee accountability; and, set progress benchmarks by focusing on operational expertise, relationship marketing, facility innovation and brand building.

In pursuit thereof, the company undertook in December 2005 a \$110 million capital plan as the first phase of a multi-year effort to upgrade and renovate its three casino properties and announced a second phase with an additional \$140 million planned to be spent through March 2008.

At Trump Taj Mahal in 2006, renovations began of the entrance corridor from the parking garage to create a new retail and restaurant promenade. In the casino, a new lounge, featuring entertainment, a new high-end Asian-themed gaming area, and a new noodle bar, have been added. Renovations of the penthouse suites is underway and renovations of standard rooms has been completed. Plans include renovation of the casino floor area, the buffet and the addition of one or more branded gourmet restaurants.

At Trump Plaza, changes were made to the entrance and lobby area in 2006 and total renovation of the casino floor was completed. Renovation of Trump Plaza's standard rooms were completed and renovation of its suites was begun. Plans include upgrading the buffet, renovating the transportation center and installation of a new energy management system. Development options for the East Tower casino area are being explored.

At Trump Marina, all standard hotel rooms were renovated in 2006 and renovations are underway to the casino floor, meeting and convention space, suites, food venues and retail outlets.

TER also has embarked on a program to upgrade its slot product hoping to change approximately 40% of its slot machines through 2007. In addition, it is exploring a master plan to add room towers at Trump Plaza and/or Trump Marina over the next several years, believing it has the land capacity to add approximately 4,000 new rooms. In this regard, as noted previously with respect to Trump Plaza, it acquired in late 2005 property that housed Sabatini's Restaurant located on Pacific Avenue and Columbia Place and, in June 2006, a lot adjacent thereto which houses a jewelry business. Trump Plaza had long sought owning these properties as well as the Vera Coking property nearby on Columbia Place. As noted in published reports, TER would like to expand Trump Plaza utilizing the entire block of Pacific Avenue, Columbia Place, Missouri Avenue and the Boardwalk.

Among other efforts and plans are an ongoing survey of Atlantic City customers that seeks to compare the Trump properties to competitors and then identify key factors; reductions in promotional spending and payroll; combining or centralizing functions; and, using technology initiatives to improve operating margins. In this regard, the company's goal is to achieve margins commensurate with its Atlantic City competitors during the second half of 2007.

G. REGULATORY COMPLIANCE

The Division's Regulatory Enforcement Bureau conducts regular audits of casino operations and investigates potential violations of the Act and regulations. The results are forwarded to the Division's Regulatory Prosecutions Bureau ("RPB") for analysis and a decision is made as to whether regulatory action is warranted and the manner of same-- warning letter or violation complaint.

The variety of topics covered in warning letters included hopper fills, beach bar approvals, soft counts, computer security, CHAB matters, etc. Set forth in the chart below are totals for the indicated periods for the petitioners and the industry with respect to warning letters:

Warning Letters

<u>Year</u>	<u>Industry</u>	<u>Taj Mahal</u>	<u>Marina</u>	<u>Plaza</u>	<u>Trump Total</u>	<u>% of Industry, All Trump</u>
2002*	94	4	4	12	20	21%
2003	169	18	10	11	39	23%
2004	139	16	8	19	43	31%
2005	159	20	7	14	41	26%
2006	122	6	5	7	18	15%
2007**	54	5	4	3	12	22%

*From the Division's Prior Renewal Report, page 44. Included here for comparative purposes.

**Through March 1, 2007

As compared against the prior license period (see Division's Prior Renewal Report, pages 44 and 45), the overall percentages of industry totals for all three casino licensees has not changed all that much; however, the number of warning letters for each of the years 2003, 2004 and 2005 for all three properties (39, 43 and 41, respectively) doubled that of 20 for 2002 although the industry totals also rose significantly for 2003, 2004 and 2005 as compared to 2002. It is to be noted that 2006 saw a significant decrease overall but particularly so for Trump Taj Mahal and Trump Plaza as compared to 2003, 2004 and 2005.

Set forth below in some detail are 15 complaints completed or pending resolution, based on filing dates of 2003 to approximately May 2007. There were three complaints filed against Trump Plaza for the period resulting in fines totalling \$60,000. The biggest fine (\$30,000) was for a CHAB violation. Another involved a self-exclusion list violation. There were five complaints filed against Trump Marina, three of which (for underage violations) are pending. The two completed matters resulted in fines totalling \$120,000--\$100,000 for an underage gaming violation filed on March 10, 2004 (Dkt. No. 04-0146-V). The latter was particularly egregious since it involved not just brief gaming at an isolated slot machine but also extended table game play, the provision of a player card, numerous ratings, and comps. There were seven complaints filed against Trump Taj Mahal resulting in fines totalling \$155,000. The largest was a \$60,000 fine for credit violations (Dkt. No. 05-0282, filed April 12, 2005) which involved a \$1.5 million fraud involving three Italian nationals and a financial institution based in Italy. Two others involved counter check violations and two others involved underage gaming.

Based on the above, it appears Trump Marina should re-examine its efforts regarding underage gambling and drinking on its premises. Not only do underage violations seem not to have been slowed but also the seriousness of the incidents, such as that noted above resulting in the \$100,000 fine, is disturbing.

IV. FINANCIAL ANALYSIS

A. OVERVIEW

To facilitate analysis of the financial condition for the license renewals for Trump Taj Mahal, Trump Plaza and Trump Marina, the Division requested and received projections for each of the Trump casinos and consolidated projections for their parent companies, TER Holdings and TER, for the years 2007-2009 (the "Forecast Period"). For the renewal period years thereafter, 2010 through 2012, management was requested to advise the Division and the Commission of its plans for any significant financial and investment activities. In response, management has advised that they have no major capital commitments planned but that they intend to refinance outstanding debt which will mature during the later years of the renewal license period. Specifically in this regard, as noted previously, TER Holdings has the \$500 million Credit Facility which consists of the \$200 million Revolver maturing in 2010 and the two \$150 million Term Loans which mature in 2012. The Credit Facility allows for the issuance of letters of credit up to \$75 million which, if issued, would reduce the amount available to borrow under the Revolver. Not due until after the renewed license period is the \$1.25 billion in Senior Notes, in 2015.

Net revenues on a combined basis improved 3.4% from \$992.2 million in 2005 to \$1,026.1 million in 2006, TER's first full year out of bankruptcy, primarily due to a 5.2% increase in net revenues at Trump Taj Mahal. Combined GOP grew 11.4% from \$202.2

million in 2005 to \$225.2 million in 2006 as operating expenses at Trump Taj Mahal and Trump Marina declined as a percentage of net revenues. Further, operating expenses decreased by \$3 million while net revenues improved at Trump Plaza.

By 2009, it is predicted that combined net revenues will be \$, a % increase over net revenues in 2006, combined GOP is forecasted to increase to \$ million, an increase over 2006 of %, and combined GOP Margin is expected to increase by % , despite competition from Pennsylvania gaming but with no regard to any potential impact from the smoking ban in Atlantic City and the openings of the large-scale upgrades and expansions at Borgata and Harrahs Marina. Essentially, management expects to achieve these aggressive GOP and GOP Margin improvements by streamlining operations to control costs and by improving its facilities with capital expenditures, such as the Taj Mahal tower construction and technological initiatives, to attract higher-value customers and thereby improve operating results. GOP and GOP Margin are important if not key measures of financial health because the former reflects revenues minus expenses, approximating cash from operations, and the latter compares GOP to net revenues yielding a percentage of each dollar earned as profit.

Casino-style gaming began in Pennsylvania after enactment of its Race Horse Development and Gaming Act in July 2004. As of December 2006, the Pennsylvania Gaming Control Board has issued six permanent Category 1 licenses (seven are authorized) for up to 5,000 slot machines at existing racetracks ("racinos"), which are operational, including Chester Downs in Delaware County, Pocono Downs in Luzerne

County, Philadelphia Park in Bucks County and Penn National in Dauphin County, near Harrisburg. Five Category 2 licenses for stand-alone slot parlors have been issued, also allowing up to 5,000 slot machines, none currently operational, including two in Philadelphia (one expected to open in April 2008 and the other in November 2008), one in Mount Airy in the Poconos (expected to open in November 2007), and another in Bethlehem (expected to open in July 2008). Two Category 3 licenses-- for "well-established resorts"--have not been issued but applications are currently being accepted. Among other criteria, a "well-established resort" must have 275 guest rooms at the time of application.

The smoking ban in Atlantic City casinos was implemented on April 15, 2007, pursuant to ordinance of the City of Atlantic City. Generally, it requires restricting smoking to no more than 25% of the gambling floor. Reportedly, this law was a compromise reached after the City proposed having smoking completely banned but the casino industry protested, fearing loss of 20% of its revenues and as many as 3400 jobs. The State of New Jersey had enacted a law banning smoking in public places a year ago but specifically exempted casino space.

Harrahs Marina and Borgata are in the midst of major upgrades and expansions. Harrahs Marina's is a \$550 million project, a portion of which--a 620-seat buffet and most of a retail center--opened in February 2007. Other plans include conversion of existing space to hold 400 slot machines and 10 gaming tables, expansion of the casino floor by 16,500 square feet to 165,700 square feet by the summer of 2007, other amenities, and

a new 961-room 44-story hotel tower scheduled to open in the second quarter of 2008. The hotel tower will bring Harrahs Marina's room capacity to 2,272. Borgata's is a \$400 million project dubbed "The Water Club at Borgata." It is scheduled to open in early 2008 and will provide 800 upgraded hotel rooms and suites, 18,000 square feet of meeting space, retail shops and other amenities.

Since emerging from bankruptcy in 2005 and through December 2006, the Trump properties have spent approximately \$226.6 million on property improvements as compared to cash capital expenditures in 2003 and 2004 totalling \$50.9 million. This significant increase in capital expenditures came from a portion of the proceeds from the sale of the Trump Indiana together with cash flow from the properties. In 2005, nearly all of the standard rooms at each property were renovated and a renovation of Trump Plaza's casino floor was begun.

In December 2005, a plan was initiated to spend \$110 million on Phase 1 of a multi-phase capital improvement program. Phase 1 is forecasted to be completed in 2007 and includes renovation of the entrance and lobby area of Trump Plaza and renovating the casino floor-level promenade at Trump Taj Mahal as well as installing new technology for the marketing and hotel systems. In 2007, Phase 2 of the capital improvement program at a projected cost of \$140 million was announced. Phase 2 of the program is forecasted to continue through the first quarter of 2008 and includes replacement of approximately 20% of the Trump casinos' slot product through new games or conversion kits; renovation

of Trump Plaza's transportation area; renovation of the casino floor at Trump Taj Mahal; and, renovation of Trump Marina's buffet and convention and meeting space. In addition to the Phase 2 spending, Trump Taj Mahal is adding the 786-room hotel tower at an anticipated cost of \$250 million which is expected to be completed in 2008. As part of its capital improvements, management is also committed to undertaking technological initiatives to improve operating efficiency hoping to thereby help drive the increases in GOP and GOP Margin. Among these initiatives are: updating and standardizing casino management systems, implementing a centralized scheduling system, implementing data warehouse technology, and introducing new customer service and leadership development programs.

Between 2007 and 2009, management is forecasting to spend \$, for capital expenditures for all properties which it characterizes as being for maintenance (\$,, renovation (\$) and Taj's hotel tower (\$). The source of the funding for these expenditures is cash flow from the properties, release of \$ in restricted cash at TER Holdings from the sale of Trump Indiana, approximately \$ in proceeds from Term Loan B which are specifically earmarked for construction expenses of Taj's hotel tower,²⁴ and borrowings under the \$200 million Revolver.

²⁴In actuality, management has advised that \$ of Term Loan B, not \$ would be available in 2007.

At December 2009, management's forecasts show that a combined \$ [redacted] will be borrowed under the Credit Facility--\$ [redacted] under the Revolver (leaving \$ [redacted] available for use minus any issued letters of credit), and \$ [redacted] under the Term Loans [redacted]). However, at December 2008, the borrowings under the Revolver are forecasted to total \$ [redacted], leaving only \$ [redacted] less any issued letters of credit under the Credit Facility available for use at that time. Since the Revolver will mature on May 20, 2010, and the Term Loans will mature on May 20, 2012, beyond the Forecast Period, these maturities are not addressed in the forecasts; however, they will occur during the renewed license period and will have to be addressed. Accordingly, the Division is requesting that a condition be imposed requiring the Trump casino licensees, TER Holdings and TER to provide to the Commission and Division by December 31, 2009, financial forecasts for the remainder of the renewed license period and which specifically address these Credit Facility repayments and maturities.

By way of a separate petition amended twice with the last amendment dated May 8, 2007 (PRN 0670703), the Trump casinos also request that they be permitted to use the Grid Notes and seek approval of the Material Debt Transactions. The Grid Notes reflect the advance of funds by TER Holdings to the Trump casinos for capital expenditures and operating and general needs and the subsequent repayment of funds to TER Holdings. Each Grid Note provides for advances up to a dollar limit at a fixed rate of 8.5% with maturity of January 1, 2013. Trump Taj Mahal's Grid Note reflects borrowings up to \$250

million, Trump Plaza's Grid Note is for borrowings up to \$75 million and Trump Marina's for up to \$50 million.

B. TRUMP PLAZA, TRUMP MARINA AND TRUMP TAJ MAHAL

For the Forecast Period, the three casino licensees assumed the following: the introduction of a "One Card" program in 2007 to promote cross-property play; the utilization of data warehouse software to track player profitability and optimize slot floor performance; and, the implementation of a hotel yield management system to optimize hotel revenue. Management also assumed increased competition from other jurisdictions in 2008 and 2009, especially Pennsylvania, but made no provision for any potential impact of the smoking ban in Atlantic City which began on April 15, 2007, nor any specific potential impact from the openings of the Borgata and Harrahs Marina expansions in 2008.

1. Trump Plaza

Table 1

Trump Plaza

Actual and Forecasted Net Revenue, GOP and GOP Margin

For the Five Years Ending December 31, 2009

(\$ in Millions)

	Actual		Forecast		
	2005	2006	2007	2008	2009
Net Revenue	\$273.4	\$278.8	\$	\$	
Costs and Expenses	(235.1)	(231.9)			
GOP	38.3	46.9			
GOP Margin	14.0%	16.8%			

For Trump Plaza, Table 1 above reflects an increase in net revenues for 2006 from \$ to \$. GOP improved due to decreases in salaries, benefits and contract employment costs. Management is forecasting that Trump Plaza's net revenues will increase by in 2007, to , by capturing some of the former Sands' slot business and reduction in coin offers and use of e-promotion to lower promotional allowances. Through the Forecast Period, management is expecting net revenues to remain at the mark but is forecasting that GOP and GOP Margin will continue to accelerate. Clearly, the forecasts provide that management intends to reduce costs and expenses--from in 2007 to in 2009, nearly \$ --in order to achieve its GOP goals since it expects revenues to remain flat.

Driven by these significant reductions in costs and expenses, Trump Plaza's GOP Margin is expected to dramatically improve, to in 2009. Compared to the year-end

GOP Margin of 16.8% for 2006, this GOP Margin increase is an ambitious % . While GOP Margin improved from 2005 to 2006, due to modest net revenue gains and cost reductions, primarily staffing, management forecasted that GOP Margin will increase to % in 2007; however, Trump Plaza's actual first quarter 2007 results were disappointing since it had forecasted net revenues of \$66.9 million, GOP of \$10.7 million and GOP Margin of 16.0%, yet only achieved \$61.5 million in net revenues, GOP of \$8.4 million and GOP Margin of 13.7%. Moreover, as reflected in results announced by the Commission on May 10, 2007, Trump Plaza's casino win for April 2007 decreased 12.6% versus April 2006, nearly twice as much as the industry (not including Sands). It thus may be questionable that Trump Plaza's GOP Margin goal of % for all of 2007 is achievable and that the acceleration of GOP Margin to % in 2008 and % in 2009 can be reasonably expected. Potentially compounding this outlook is any impact from the Atlantic City smoking ban and the openings of the Borgata and Harrahs Marina expansions and a bigger impact from Philadelphia-area gaming than anticipated.

Table 2
Trump Plaza
Cash Flow Summary
For the Five Years Ending December 31, 2009
(\$ in Millions)

	Actual		Forecast		
	2005	2006	2007	2008	2009
Net Cash Provided (Used) by Operating Activities	\$36.0	\$28.2	\$		
Cash Flows from Investing Activities					
Capital Expenditures	(41.7)	(36.5)	"	"	
Purchase of CRDA Obligations	(3.9)	(3.4)	"	"	
Other Investments/Loans/Advances	(13.5)	0.0	"	"	
CRDA Donation	<u>0.0</u>	<u>0.0</u>	"	"	
Net Cash Provided (Used) for Investing Activities	(59.1)	(39.9)			
Cash Flows from Financing Activities					
Payments to Settle Short-term Debt	(13.2)	(8.5)	"	"	
Payments to Settle Long-term Debt	0.0	0.0	"	"	
Cash Proceeds from Capital Contribution	36.9	4.0	"	"	
Advances from Affiliates	0.0	21.0	"	"	
Repayments to Affiliates	<u>0.0</u>	<u>0.0</u>	"	"	
Cash Provided (Used) by Financing Activities	23.7	16.5			
Net Increase (Decrease) in Cash	0.6	4.8			
Cash at Beginning of Period	<u>20.5</u>	<u>21.1</u>	<u>25.9</u>		
Cash at End of Period	<u>\$21.1</u>	<u>\$25.9</u>			

As noted in Table 2 above, in 2005 and 2006, a total of \$78.2 million in capital expenditures were made on projects such as casino floor decor and guest room renovation. In 2007 and 2008, a total of \$ is forecasted to be spent on capital expenditures with \$ to be spent on renovation projects such as renovation of

the transportation center, suites and buffet, and the remainder forecasted to be spent on maintenance items. Thus, by 2009, Trump Plaza's capital spending of only \$ reflects a maintenance budget. Plaza will reach its peak borrowing via the Grid Note in the second quarter of 2008 when it is forecasted to have \$ outstanding under its \$75 million Grid Note.

Cash balances during the Forecast Period are expected to remain at approximately \$ as cash from operations in 2008 and 2009 is used to fund capital expenditures and repay intercompany advances; *i.e.*, Grid Note. Trump Plaza is forecasted to have \$ outstanding under its Grid Note at the end of 2009.

In the event the forecasts are not achieved as presented, Trump Plaza will need to look to consolidated TER for flexibility and support absent significant cut-backs in capital expenditures.

2. Trump Marina

Table 3

Trump Marina

Actual and Forecasted Net Revenue, GOP and GOP Margin

For the Five Years Ending December 31, 2009

(\$ in Millions)

	Actual		Forecast		
	2005	2006	2007	2008	2009
Net Revenue	\$241.1	\$244.7	\$:	"	"
Costs and Expenses	(190.9)	(189.8)	"	"	"
GOP	50.2	54.9	"	"	"
GOP Margin	20.8%	22.4%	"	"	"

Table 3 above shows that Trump Marina's net revenues increased from \$241.1 million in 2005 to \$244.7 million in 2006 due to increased gaming revenues as a result of promotions targeted at slots. GOP improved from \$50.2 million to \$54.9 million with over one-third of the increase in 2006 being a \$1.75 million settlement received from the SJTA which was credited against operating expenses. Absent this settlement, GOP for 2006 would have been \$53.2 million, not \$54.9 million, and GOP Margin 21.7%, not 22.4%. Management is forecasting that Trump Marina's net revenues will grow from \$244.7 million in 2006 to \$ in 2008 due to increased patron volume as a result of marketing efforts and industry growth. However, in 2009, net revenues are forecasted to decline to \$ because of management's assessment of increased competition from gaming in Pennsylvania in the later part of 2008 and continuing into 2009.

Nevertheless, as with Trump Plaza and Trump Taj Mahal, Trump Marina's GOP Margin is forecasted to strongly improve from 22.4% in 2006 (21.7% absent the one-time SJTA settlement) to 30.0% in 2008 and 2009--nearly an 8.0% improvement (6.3% improvement absent the SJTA settlement)--again due to cost containment and marketing initiatives. However, as with Trump Plaza, Trump Marina's forecasted results for the first quarter 2007 were not achieved as actual results were net revenues of \$54.3 million, GOP of \$9.3 million and GOP Margin of 17.1% whereas management had hoped for \$60 million in revenues, GOP of \$13.5 million and GOP Margin of 22.5%. Furthermore, as announced by the Commission on May 10, 2007, Trump Marina's casino win for April 2007 decreased 13.2% versus April 2006, double the industry decrease of 6.8% (not including Sands). Whether Trump Marina can achieve its goals in 2009 since it did not even for the first quarter of 2007 may be problematic, especially if any unanticipated impact from the Atlantic City smoking ban is realized and competition from Pennsylvania's gaming is stronger than has been factored in by management. Moreover, any unanticipated impact from the openings of the Borgata and Harrahs Marina expansions in 2008 may affect Trump Marina more acutely than the other two Trump properties.

Table 4
Trump Marina
Cash Flow Summary
For the Five Years Ending December 31, 2009
(\$ in Millions)

	Actual		Forecast		
	2005	2006	2007	2008	2009
Net Cash Provided (Used) by Operating Activities	\$25.5	\$35.7			
Cash Flow from Investing Activities					
Capital Expenditures	(22.4)	(25.2)			
Purchase of CRDA Obligations	(3.1)	(3.2)			
Net Cash Provided (Used) for Investing Activities	(25.5)	(28.4)			
Cash Flow from Financing Activities					
Payments to Settle Long-term Debt	(8.5)	(6.7)			
Proceeds from Capital Contributions	10.0	0.0			
Borrowings of Inter-company Advances	0.0	0.0			
Repayments of Inter-company Advances	0.0	0.0			
Cash Provided (Used) by Financing Activities	1.5	(6.7)			
Net Increase (Decrease) in Cash	1.5	0.5			
Cash at Beginning of Period	23.2	24.7	25.2		
Cash at End of Period	\$24.7	\$25.2	\$		

In terms of Trump Marina's cash flow as set forth in Table 4 above, capital expenditures totalled \$47.6 million for 2005 and 2006 which included renovation of rooms and suites. In 2007 and 2008, capital expenditures are forecasted to increase to a total of \$_____ for such projects as renovation and expansion of the existing buffet, renovations to the high-limit slot area and convention and meeting spaces, and construction of a new Atrium bar and lounge area. By 2009, capital expenditures are

forecasted at \$ [redacted] which management considers to be a maintenance level. Payments to settle long-term debt totalling \$ [redacted] from 2005-2008 represent repayments of capital lease obligations. By the end of 2008, nearly all capital lease debt is forecasted to be repaid. The forecast shows Trump Marina using \$ [redacted] in net borrowings (Grid Note) from TER Holdings to supplement its operating cash in funding its capital expenditures in 2007. In 2008 and 2009, Marina is forecasted to fund its capital expenditures from operations as well as repay TER Holdings the balance on the Grid Note and other intercompany obligations and increase its cash balance at December 31, 2009, by \$ [redacted] to \$ [redacted].

As with Trump Plaza, should forecasts not be achieved as presented, Trump Marina will need to look to consolidated TER for flexibility and support absent significant reductions in proposed capital expenditures.

3. Trump Taj Mahal

Table 5

Trump Taj Mahal

Actual and Forecasted Net Revenue, GOP and GOP Margin

For the Five Years Ending December 31, 2009

	Actual		Forecast		
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net Revenue	\$477.7	\$502.6	"	"	"
Costs and Expenses	<u>(364.0)</u>	<u>(379.2)</u>	"	"	"
GOP	\$ 113.7	\$123.4	"	"	"
GOP Margin	23.8%	24.5%	"	"	"

Table 5 above shows that Trump Taj Mahal's net revenues increased from \$477.7 million in 2005 to \$502.6 million in 2006 as a result of increased gaming revenues. GOP improved as well, increasing from \$113.7 million in 2005 to \$123.4 million in 2006 as expenses as a percentage of net revenues declined. As a result, GOP Margin improved from 23.8% to 24.5%. Management is forecasting that Trump Taj Mahal's net revenues are expected to grow by % in 2007, % in 2008 and by % in 2009. Since Taj's 786-room hotel tower is forecasted to be completed in September 2008, the full impact of the financial benefits of the tower are reflected in 2009 with slot win forecasted to increase from in 2008 to % in 2009 and net room revenues expected to increase by

Also contributing to the growth in net revenues during the Forecast Period is an

anticipated decline in promotional allowances as a percentage of gross revenues as the property focuses on a higher end, more profitable patron.

Management's expectations for Trump Taj Mahal's GOP and GOP Margin for the Forecast Period are dramatic. It expects GOP to grow annually from \$123 million to \$150 million and GOP Margin to improve from 24.5% at year-end 2006 to 28.5% at year-end 2009 as reflected in the forecasts in Table 5 above. This improvement in GOP Margin is nearly 4 percentage points over the three years with a 1 percentage point rise from 2007 to 2008 and a 3 percentage point rise from 2008 to 2009 with the opening of Taj's new hotel tower. While Trump Taj Mahal met its GOP and GOP Margin expectations for the first quarter of 2007, casino win for April 2007 fell 19.7% as compared to April 2006, as announced by the Commission on May 10, 2007, nearly three times that of the industry (not including Sands). Given this, the absence of any smoking ban impact, any effect from the increased competition from the Borgata and Harrahs Marina openings in 2008, and any stronger-than-expected competition from Pennsylvania, a GOP Margin improvement of the magnitude forecasted may be optimistic despite the opening of the new Taj tower.

Table 6
Trump Taj Mahal
Cash Flow Summary
For the Five Years Ending December 31, 2009
(\$ in Millions)

	Actual		Forecast		
	2005	2006	2007	2008	2009
Net Cash Provided (Used) by Operating Activities	\$66.8	\$87.3			
Cash Flow from Investing Activities					
Capital Expenditures (Net) *	(24.2)	(63.7)	"	"	
Purchase of CRDA Obligations	(6.4)	(6.7)	"	"	
Net Cash Provided (Used) by Investing Activities	(30.6)	(70.4)			
Cash Flow from Financing Activities					
Payments to Settle Long-term Debt	(11.5)	(12.8)	"	"	
Long-Term Inter-Company Debt	0.0	0.0	"	"	
Payments to Settle Inter-Company Debt	0.0	(10.0)	"	"	
Partnership Distribution	(25.3)	(2.1)	"	"	
Cash Provided (Used) by Financing Activities	(36.8)	(24.9)			
Net Increase (Decrease) in Cash	(0.6)	(8.0)			
Cash at Beginning of Period	53.1	52.5	44.5		
Cash at End of Period	\$52.5	\$44.5	\$		

*Includes payments made under the ROFO Agreement of \$1million in 2006 and \$600,000 and \$250,000 forecasted to made in 2007 and 2008, respectively.

As shown in Table 6 above, capital expenditures increased at Trump Taj Mahal from \$24.2 million in 2005 to \$63.7 million in 2006 with the start of the promenade renovation and construction of the 786-room hotel tower. From 2007 through 2008, capital expenditures are forecasted to total \$1--\$ to be spent on the hotel tower, \$ to be spent on maintenance projects, and \$ slated for

renovation and re-theming projects such as renovation of the promenade area, the casino floor and penthouse suites and new restaurants. Operating cash is forecasted to be supplemented by borrowings from TER Holdings via the Grid Note of \$ [redacted] in 2007 and \$ [redacted] in 2008 for total borrowings of \$ [redacted] to fund the capital spending program. With the tower and additional improvements at the Trump Taj Mahal forecasted to be completed by 2008, the 2009 capital expenditure forecast of \$ [redacted] reflects only a maintenance level. In 2009, Trump Taj Mahal is forecasted to generate sufficient cash from operations to pay down its Grid Note to TER Holdings by \$ [redacted]. Its cash balance is forecasted to remain relatively stable throughout the Forecast Period, in the [redacted] range.

As with Trump Plaza and Trump Marina, flexibility for Trump Taj Mahal, should forecasts not be achieved as presented, will have to come from consolidated TER unless there is a significant cut-back in planned capital expenditures.

C. TER CONSOLIDATED

Table 7 below presents TER's actual and forecasted net revenues and GOP for the five years ending 2009.

1. Actual and Forecasted Net Revenues and GOP

Table 7
TER Consolidated
Actual and Forecasted Net Revenue, GOP and GOP Margin
For the Five Years Ending December 31, 2009
(\$ in Millions)

	Actual		Forecast		
	2005	2006	2007	2008	2009
NET REVENUE					
Trump Marina	\$241.1	\$244.7			
Trump Plaza	273.4	278.8	"		
Trump Taj Mahal	477.7	502.6			
CONSOLIDATED/COMBINED NET REVENUE	\$992.2	\$1,026.1			
	Actual		Forecast		
	2005	2006	2007	2008	2009
GOP					
Trump Marina	\$50.2	\$54.9			
Trump Plaza	38.3	46.9	"	"	
Trump Taj Mahal	113.7	123.4			
COMBINED GOP	\$202.2	\$225.2			
COMBINED GOP MARGIN	20.4%	21.9%			
TER Development	0.0	(5.8)	"	"	
TER Holdings*	(29.5)	(29.5)			
CONSOLIDATED GOP	\$172.7	\$189.9			
CONSOLIDATED GOP MARGIN	17.4%	18.5%			

*2006 - 2009 includes \$2 million paid annually to DJT under the Services Agreement.

Net revenues are forecasted to improve by \$ [redacted] or [redacted]%, from 2006 to 2009; however, combined property GOP is forecasted to improve by \$ [redacted] or an ambitious [redacted]%, during the same period. As noted in the analysis for each casino, management is forecasting GOP Margin to improve throughout the Forecast Period for Trump Taj Mahal and Trump Plaza and to improve in 2007 and 2008 for Trump Marina and then remain flat in 2009. While combined GOP Margin improved slightly from 20.4% in

2005 to 21.9% in 2006, the combined GOP Margin for the three Trump properties is projected to increase significantly by , from 2006 to 2009. After accounting for corporate expenses, consolidated GOP Margin as shown in Table.7 is forecasted to improve from 18.5% in 2006 to % by 2009.

2. Actual and Forecasted Cash Flows

Table 8 below provides the actual cash flow for the years 2005 and 2006 and the cash flow forecasted for 2007 to 2009.

Table 8
TER
Consolidated Cash Flow Summary
For the Five Years Ending December 31, 2009
(\$ in Millions)

	Actual		Forecast		
	2005	2006	2007	2008	2009
Cash Provided (Used) by Operating Activities	(\$26.1)	\$28.9			
Cash Flow from Investing Activities:					
Capital Expenditures, net	(97.7)	(128.9)	"	"	
CRDA purchases	(13.4)	(13.2)			
(Increase) Decrease in Restricted Cash	(45.0)	17.6	"	"	
Cash proceeds from sale of Trump Indiana	<u>227.5</u>	<u>0.0</u>			
Cash Provided (Used) by Investing Activities	71.4	(124.5)			
Cash from Financing Activities:					
Proceeds from Long-term Debt	149.3	0.0	"	"	
Deferred financing cost	(14.0)	(0.6)			
Payments to Settle Long-term Debt	(35.3)	(29.8)	"	"	
Contributed Capital from Reorganization	55.0	0.0	"	"	
Repayment of DIP financing (net)	(35.9)	0.0			
Other	0.0	0.4			
Cash to noteholders and stockholders	(41.1)	0.0	"	"	
Payment of Dividends or Capital withdrawals*	<u>0.0</u>	<u>(3.0)</u>			
Cash Provided (Used) by Investing Activities	78.0	(33.0)			
Net Increase (Decrease) in Cash	123.3	(128.6)			
Cash at Beginning of Period	105.3	228.6	100.0		
Cash at End of Period	\$228.6	\$100.0			
Cash Interest Paid (Net of Amount Capitalized)	\$169.4	\$128.7	\$		

*Represents partnership distribution to DJT for payment of taxes of \$3 million for 2006.

Even after repaying \$35.3 million in capital leases and spending \$97.7 million in capital expenditures, cash was increased by \$123.3 million at December 31, 2005, as a

result of the proceeds from the sale of Trump Indiana. This one-time increase in cash was used along with the release of \$17.6 million in restricted cash to fund \$128.9 million in capital expenditures in 2006. As a result, no borrowings from the Revolver were needed in 2005 or 2006. The 2007 forecast includes using approximately \$ [redacted] from Term Loan B to finance Trump Taj Mahal's hotel tower along with funds from the Revolver. Total capital expenditures during the Forecast Period are projected to be \$ [redacted]. Total borrowings under Term Loan B and the Revolver are forecasted to be \$ [redacted] through 2009 for capital expenditures and other corporate purposes. In 2009, approximately \$ [redacted] of the outstanding balance under the Revolver is forecasted to be repaid resulting in an availability of \$ [redacted] at year end 2009, assuming no letters of credit are outstanding.

3. Long-Term Debt

The table below presents the debt outstanding as of December 31, 2006, and forecasted to be outstanding through 2009.

Table 9
 TER Consolidated
 Actual and Forecasted Long-Term Debt
 For the Years Ending December 31, 2009
 (\$ in Thousands)

	Actual	Forecast		
	2006	2007	2008	2009
8.5% Senior Notes	\$1,248,962	\$1		
Term Loan A	147,750			
Term Loan B	0			
Revolver*	0			
Capital Leases	10,721			
TOTAL	\$1,407,433			
Cash Interest Paid	\$128,704	\$		

* 200 million is the maximum available under the Revolver

Term Loan A was used to repay the debtor-in-possession loan and other bankruptcy expenses. In 2007, Term Loan B was used for construction expenses of the new Trump Taj Mahal tower. Quarterly principal payments totalling approximately \$3 million a year on the Term Loans continue through June 2011 when 25% of the outstanding balance is due quarterly until maturity on May 20, 2012. The Revolver and the Term Loans carry a variable interest rate which was 7.87% at December 31, 2006. The forecast assumes an interest rate of . The Revolver also carries a fee of 0.5% on the unused balance. The Revolver matures on May 20, 2010. The Credit Facility allows for the issuance of up to \$75 million in letters of credit and any outstanding letters of credit would reduce the funds available to borrow under the Revolver. At March 31, 2007, approximately \$8 million in letters of credit were issued and outstanding.

Under the terms of the Credit Facility, TER Holdings is limited to spending no more than 8% of consolidated gross revenues for maintenance capital expenditures. In addition, mandatory prepayments are required if there is excess cash flow. Management has represented that the 8% limit is more than sufficient for maintenance capital expenditures and, since the amount of capital expenditures paid in cash are a deduction in the computation determining the excess cash flow amount, no mandatory prepayments are anticipated to be required during the forecast period.

TER Holdings is forecasted to borrow approximately \$_____ from Term Loan B for construction of the Taj hotel tower in 2007 and will begin to utilize the Revolver in 2007, borrowing a total of \$_____ by year end. TER Holdings is forecasted to borrow each quarter from the Revolver in 2008 resulting in a total of \$_____ being outstanding by December 2008. At that point, TER Holdings will have borrowed all but \$_____ of its Credit Facility in 2008, assuming no letters of credit are issued and outstanding; if there were, the amount available to borrow would be reduced. Commencing in 2009, management intends to pay down the Revolver such that \$_____ would then be available.

However, 2008 would appear to be of concern since the borrowing available under the Revolver is at the lowest point. Also, it is expected that the consolidated entities will have approximately \$_____ in cash but that a minimum of approximately \$_____ of that would be needed to operate the three properties, thus leaving approximately \$_____

in available cash.²⁵ This together with the remaining balance from the Revolver would result in approximately \$ [redacted] for flexibility--or less if any letters of credit are outstanding--if GOP forecasts are achieved. If, however, forecasts are underachieved by 15%, those sources of funds would be exhausted assuming no adjustments are made.

While Table 9 shows both total debt and interest expense increasing in 2007 and 2008 with the increase in capital expenditures for the hotel tower and renovations at the properties, management is expecting that TER will remain in compliance with the financial covenants of the Credit Facility and will have an EBITDA cushion. The EBITDA cushion reflects the amount by which consolidated EBITDA can drop and covenant compliance be maintained. According to management, EBITDA cushion is at least \$ [redacted] during the Forecast Period.

D. MATERIAL DEBT TRANSACTIONS

The Trump casino licensees have requested they be permitted to issue Grid Notes and thereby record borrowings and repayments between the licensees and TER Holdings. Previously, it was expected that the company would simply supply funds as capital contributions. However, management is requesting that it be permitted to use the Grid

²⁵We have asked for the minimum cash balances needed to operate each property but have been provided no firm estimate. The indicated \$ [redacted] combined for all three properties is our best estimate although it could be higher, especially for Trump Taj Mahal following the opening of its new tower.

Notes as evidence of the borrowings and, hence, they are being considered material debt transactions under *N.J.A.C. 19:43-4.1 et seq.* The intercompany borrowings under the proposed Grid Notes are separate and distinct from the any borrowings that TER Holdings may make from the Revolver and Term Loan B in timing and dollar amounts.

By way of separate Grid Notes, each property will be allowed to borrow and repay from the effective date, forecasted to be on or about July 1, 2007, to the maturity date of January 1, 2013. Interest on these borrowings will be at 8.5% and will be paid monthly. Trump Taj Mahal will be able to borrow up to \$250 million under its Grid Note, Trump Plaza up to \$75 million, and Trump Marina up to \$50 million. The forecast shows Trump Taj Mahal borrowing \$ [redacted] in 2007 with the balance increasing to \$ [redacted] in 2008, primarily for construction of the new hotel tower. Trump Taj Mahal is forecasted to repay \$ [redacted] in 2009 resulting in an outstanding balance on their Grid Note of \$ [redacted] at December 31, 2009. Trump Plaza is forecasted to borrow \$ [redacted] in 2007 and an additional \$ [redacted] through the second quarter of 2008, all under its Grid Note, when it will reach its peak outstanding of \$ [redacted] inclusive of borrowings in 2006 of \$21 million. Trump Plaza is then forecasted to make net repayments reducing the balance to \$ [redacted] in 2008 and to \$ [redacted] by the end of 2009. Finally, Trump Marina is forecasted to have \$ [redacted] outstanding under its Grid Note by the end of 2007 before reducing its outstanding balance to \$ [redacted] by the end of 2009. In addition, the properties will be paying interest on the funds borrowed which TER Holdings will then use for its corporate purposes including paying interest on outstanding debt at TER Holdings.

The Grid Notes would not result in any additional external debt being created either at TER Holdings or the three licensees. It is important to note that Trump Taj Mahal, Trump Plaza and Trump Marina are all jointly and severably liable for payment of interest and any principal under the Senior Notes and the Credit Facility.

E. SUMMARY

As more fully addressed in the above Financial Analysis section of this report, management is undertaking both capital and technological projects to improve the properties and operating efficiency in order to achieve their forecasts. TER expects to spend \$ [redacted] in capital expenditures during the Forecast Period in addition to the combined \$226.6 million spent in 2005 and 2006. Management believes that these capital expenditures will enable the Trump casinos to attract a higher-end customer base and remain competitive as Pennsylvania enters the area's gaming market. The primary sources of funds for the \$ [redacted] in capital expenditures will be the Revolver, Term Loan B and cash from operations. In particular, TER Holdings expects to borrow all but \$ [redacted] under the Revolver in 2008 and all available funds under Term Loan B to make capital improvements and build the new Taj hotel tower. All these major capital projects are forecasted to be completed by the end of 2008. Thereafter, management forecasted that excess cash from operations should be available to begin reducing the outstanding balance under the Revolver. In 2009, management forecasted repaying approximately \$ [redacted] of the Revolver which would result in \$ [redacted] being available to borrow at year end 2009, assuming there are no letters of credit outstanding.

Management also forecasted that it will remain in compliance with the financial covenants of the Credit Facility during the Forecast Period.

Consolidated net revenues are forecasted to improve moderately during the Forecast Period-- from approximately \$1.0 billion in 2006 to \$ by 2009 with the largest increase expected to occur in 2007 when increases of approximately at each property are expected. However, much more significant increases in GOP indicators are expected during the Forecast Period such as the combined GOP which the company predicts will improve by % from \$225.2 million to , and the combined GOP Margin which it predicts will increase by , from 21.9% to %. The growth in these GOP indicators is projected to come primarily from Trump Taj Mahal and Trump Plaza and to a lesser extent from Trump Marina. While the various marketing, technological and cost-containment measures to be implemented during the Forecast Period may have a positive impact on performance, the magnitude of expected GOP growth and GOP Margin improvement may be elusive. Indeed, the Trump casinos have already spent \$226.6 million in 2005 and 2006 for capital expenditures in an effort to drive up operating results but two of these casinos fell short of their goals as reflected in the first quarter 2007 results which produced GOP Margins for Trump Plaza and Trump Marina of 13.7% and 17.1%, respectively, versus the forecasted expectations of % and %, respectively. These results, together with the poor casino win at all three properties in April 2007, would not seem to bode well for the optimistic expectations going forward. Moreover, not only has management not considered any impact of the Atlantic City smoking ban and the openings of the Borgata and Harrahs Marina expansions but also the

lofty GOP goals and GOP Margin growth rates are unprecedented. Consider that, for the three-year period of 2003 to 2006, the industry grew its GOP Margin by less than 1% whereas TER is expecting that its total GOP Margin growth rate for the combined Trump properties will increase by a resounding 36% for the Forecast Period.

As previously noted in detail, the company's flexibility reaches a critical point in the fourth quarter of 2008 when both available funds under the Revolver, its only remaining source of borrowing, and consolidated cash are forecasted to reach their low points. If management is off in their GOP forecasts by a mere 15%, not an unlikely event given the aggressiveness of those forecasts, the companies will have utilized those funds and have no available cash or borrowings upon which to rely. It needs to be emphasized that in this same year--2008--the opening of the complete Borgata expansion and the opening of the Harrahs Marina expansion are expected and it is also expected that the Philadelphia-area slot parlors will open. While there may be alternatives, management has intimated that it may reduce planned capital expenditures to supply any needed flexibility. However, it is unclear if that is management's definite back-up plan and, if it is, what specific capital expenditures would be impacted and, most importantly, whether those reductions in capital expenditures would further erode their projections and thereby compound their ability to be flexible.

It should be noted that the Revolver matures May 20, 2010, and principal repayments on the Term Loans begin June 30, 2011, with a final payment on May 20, 2012. Since these maturities will occur during the license term but after the Forecast Period, they will be addressed by the Division's mid-term report if not sooner.

Based on all the above, TER and the casino licensees should address that the forecasts they have presented are sufficiently reliable for the Forecast Period so as to enable a finding that they have demonstrated the requisite financial stability, integrity and responsibility as provided in *N.J.S.A. 5:12-84a* and *N.J.A.C. 19:43-4.2*. Specifically, they should demonstrate that the forecasted GOP and GOP Margin improvements are not overly optimistic and are reasonably and realistically achievable. In addition, TER and its casino licensees should address their financial flexibility and plans for same in the event the forecasted goals are underachieved, especially for 2008. Lastly, the Division suggests that any license renewal be subject to at least a condition that there be a mid-term assessment of the financial stability of the companies for the period subsequent to 2009 and which specifically addresses the maturities of the Revolver in 2010 and Term Loans in 2012.

V. CONCLUSION

Petitioners should re-examine and address its efforts and commitment with respect to underage gaming and drinking at Trump Marina (see pages 40-41), should address the reliability of the forecasted increases in GOP and GOP Margin for the Forecast Period (see pages 49-50, 54, 58, and 70-71), and should address their financial flexibility in the event the forecasted goals are not achieved, especially in 2008 (see pages 52, 56, 60, 66-67, and 71).

Subject to satisfactory explanations regarding the above and subject to at least a condition that the casino licensees and their holding companies provide to the Division and Commission by December 31, 2009, financial forecasts for the remainder of the renewed license term, the Division does not anticipate interposing objections to the granting of the renewal of casino licenses to Trump Taj Mahal Associates, LLC, Trump Plaza Associates, LLC, and Trump Marina Associates, LLC, for five-year terms commencing on June 26, 2007, and approval of the request regarding the Material Debt Transactions (PRN 0670703).

Respectfully submitted,

YVONNE G. MAHER
ACTING DIRECTOR

By: 

James C. Fogarty
Deputy Attorney General

c: Chair and Members of the Commission
Mary Wozniak, Assistant General Counsel/CCC
Christopher Glaum, Manager, Division of
Financial Evaluation/CCC
Paul M. O'Gara, Esq.
Joseph A. Fusco, Executive Vice President,
Government Affairs/TER
Robert M. Pickus, Executive Vice President and
General Counsel/TER

EXHIBIT A

TRUMP PLAZA ASSOCIATES, LLC
d/b/a Trump Plaza Hotel & Casino

Natural Person Qualifiers

LEGEND

TPA
TCI
TCI2
TERF
TERH
TER

TRUMP PLAZA ASSOCIATES, LLC
TRUMP CASINOS, INC.
TCI 2 HOLDINGS, LLC
TRUMP ENTERTAINMENT RESORTS FUNDING, INC.
TRUMP ENTERTAINMENT RESORTS HOLDINGS, L.P.
TRUMP ENTERTAINMENT RESORTS, INC.

Name	ID	RS	Position(s)
Bhandari, Ravneet Singh ¹	8763-11 3867-03	NJ	TPA - Sr. VP Revenue Management
Black, Dale R.	3933-03	NJ	TER - Exec. VP & CFO TERH - Exec. VP & CFO
Burke, John P.	5312-11 3321-03	NY	TCI - VP & Assistant Treasurer TCI2 - VP & Corp. Treasurer TER - Exc. VP & Corp. Treasurer TERH - Exec. VP & Corp. Treasurer TERF - Director, Exec, VP & Treasurer
Burkhalter, Donald D.	3932-03	NJ	TER - VP Customer Relations/Brand Management TERH - VP Customer Relations/Brand Management
Caren, Gregg	4009-03	NJ	TER - VP Hotel Sales

¹Pending Qualification

Cunningham, Frederick T.	6015-11 3546-03	NJ	TERH - VP Legal Affairs
D'Alelio, Edward H.	3889-03	MA	TER - Board Member, Member of Compensation & Audit Committee & Member of Strategic Committee
Davis, Michael	5965-11 3328-03	NJ	TPA - VP Information Technology
Edwards, Aloha	2744-11 3855-03	NJ	TPA - Director of Surveillance
Fitzpatrick, Francis	4881-11 3669-03	NJ	TPA - Director of Security
Florio, James J.	3891-03	NJ	TER - Board Member, Chair of Corp. Governance and Nominating Committee
Froelich, Cezar M.	3894-03	IL	TER - Board Member, Member of Corp. Governance and Nominating Committee & Executive Committee
Fusco, Joseph A.	6614-11 3329-03	NJ	TER - Exec. VP Government Affairs TERH - Exec. VP Government Affairs
Gietka, Steven	6206-11 3606-03	NJ	TPA - VP Entertainment
Handel, Morton E.	3892-03	FL	TER - Board Member, Chair of Compensation Committee & Member of Executive Committee & Chair Strategic Committee
Hausler, Eric	4010-03	NJ	TER - Sr. VP of Development
Juliano, Mark	4475-11 3078-03	NJ	TPA - COO TER - COO TERH - COO
Keller, Paul B.	3927-03	NJ	TER - Exec. VP Design and Construction TERH - Exec. VP Design and Construction

Keyser, Craig D.	6064-11 3334-03	NJ	TPA - Exec. VP Human Resources & Admin.
Kramer, Michael A.	3895-03	CT	TER - Board Member, Chair of Audit Committee, Member of Strategic Committee
Lien, Mann	6033-11 3381-03	NJ	TPA - VP Asian Marketing
Lemoniotis, Eleni	6675-11 3850-03	NJ	TPA - Director of Internal Audit
McDowell, Virginia	8494-11 3298-03	NJ	TPA - Exec. VP & CIO TER - Exec. VP & CIO TERH - Exec. VP & CIO
McFadden, Daniel	7167-11 3521-03	NJ	TPA - VP Finance (Temporary)
Ng, Gary	8640-11 3556-03	NJ	TPA - Sr. VP Asian Player Development
O'Donovan, Vickie	4400-11 4020-03	NJ	TPA - VP Purchasing
Perry, James B.	8430-11 3983-03	NJ	TPA - President, CEO TER - President, CEO & Board Member TERH - President & CEO TERF - President, CEO & Board Member TCI2 - President, CEO
Pickus, Loretta	5102-11 3360-03	NJ	TERH - VP Legal Affairs
Pickus, Robert	3193-11 3347-03	NJ	TERF - Exec. VP, Director & Secretary TER - Exec. VP, Secretary & Gen. Counsel TERH - Exec. VP, Sec. & Gen Counsel TCI - Exec. VP, Secretary & Gen. Counsel TCI2 - Exec. VP, Secretary & Gen. Counsel

Polisano, Joseph S.	4284-11 3348-03	NJ	TER - VP Project Development TERH - VP Project Development
Polizzi, David J.	6453-11 3955-03	NJ	TPA - VP Gaming Operations
Rigot, James A.	909-11 3371-03	NJ	TPA - General Manager
Sachais, Mark	6908-11 3860-03	NJ	TPA - VP Marketing
Santoro, Richard M.	5247-11 3362-03	NJ	TER - Exec. VP Asset Protection & Risk Management TERH - Exec. VP Asset Protection & Risk Management
Savacool, Brian	3914-03	NJ	TER - VP Taxation TERH - VP Taxation
Thomas, Don M.	3358-03	NY	TER - Board Member, Member of Compensation Committee and Corp. Governance and Nominating Committee
Trump, Donald J.	8035-11 3359-03	NY	TER - Chairman of the Board, Chair Exec. Committee TCI - Director, President & Treasurer
Weber, Richard	3961-03 8717-11	NJ	TPA - VP Corp. Controller
Wilkins, Jeanne-Marie	3919-03	NJ	TER - VP Business Strategy TERH - VP Business Strategy

EXHIBIT B

TRUMP MARINA ASSOCIATES, LLC
d/b/a Trump Marina Hotel Casino

Natural Person Qualifiers

LEGEND

TMA
TCI
TCI2
TERF
TERH
TER

TRUMP MARINA ASSOCIATES, LLC
TRUMP CASINOS, INC.
TCI 2 HOLDINGS, LLC
TRUMP ENTERTAINMENT RESORTS FUNDING, INC.
TRUMP ENTERTAINMENT RESORTS HOLDINGS, L.P.
TRUMP ENTERTAINMENT RESORTS, INC.

Name	ID	RS	Position
Bhandari, Ravneet Singh ¹	8763-11 3867-03	NJ	TMA - Sr. VP Revenue Management
Black, Dale R.	3933-03	NJ	TER - Exec. VP & CFO TERH - Exec. VP & CFO
Browne, Donald	4698-11 3956-03	NJ	TMA - VP Casino Operations
Burke, John P.	5312-11 3321-03	NY	TCI - VP & Assistant Treasurer TCI2 - VP & Corp. Treasurer TER - Exc. VP & Corp. Treasurer TERH - Exec. VP & Corp. Treasurer TERF - Director, Exec, VP & Treasurer
Burkhalter, Donald D.	3932-03	NJ	TER - VP Customer Relations/Brand Management TERH - VP Customer Relations/Brand Management

¹Pending Qualification

Caren, Gregg	4009-03	NJ	TER - VP Hotel Sales
Cunningham, Fred	6015-11 3546-03	NJ	TERH - VP of Legal Affairs
D'Alelio, Edward H.	3889-03	MA	TER - Board Member, Member of Compensation & Audit Committee & Member of Strategic Committee
Davila, Teresa	7467-11 3767-03	NJ	TMA - VP Hotel Operations
Davis, Michael	5965-11 3328-03	NJ	TMA - VP Information Technology
Florio, James J.	3891-03	NJ	TER - Board Member and Chair of Corp. Governance and Nominating Committee
Froelich, Cezar M.	3894-03	IL	TER - Board Member, Member of Corp. Governance and Nominating Committee & Executive Committee
Fusco, Joseph A.	6614-11 3329-03	NJ	TER - Exec. VP Government Affairs TERH - Exec. VP Government Affairs
Gietka, Steven	6206-11 3606-03	NJ	TMA - VP Entertainment
Handel, Morton E.	3892-03	FL	TER - Board Member, Chair of Compensation Committee & Member of Executive Committee & Chair of Strategic Committee
Hausler, Eric	4010-03	NJ	TER - Sr. VP of Development
Juliano, Mark	4475-11 3078-03	NJ	TMA - COO TER - COO TERH - COO

Keller, Paul B.	3927-03	NJ	TER - Exec VP Design and Construction TERH - Exec. VP Design and Construction
Keyser, Craig D.	6064-11 3334-03	NJ	TMA - Exec. VP Human Resources & Administration
Kramer, Michael A.	3895-03	CT	TER - Board Member, Chair of Audit Committee & Member Strategic Committee
Lemoniotis, Eleni	6675-11 3850-03	NJ	TMA - Director of Internal Audit
Lipuma, Peter	2472-11 3854-03	NJ	TMA - Director of Surveillance
McDowell, Virginia	8494-11 3298-03	NJ	TMA - Exec. VP & CIO TER - Exec. VP & CIO TERH - Exec. VP & CIO
McFadden, Daniel	7167-11 3521-03	NJ	TMA - VP Finance
Moyer, Todd	7577-11 3681-03	NJ	TMA - VP Marketing
Ng, Gary	8640-11 3556-03	NJ	TMA - Sr. VP Asian Player Development
O'Donovan, Vickie	4400-11 4020-03	NJ	TMA - VP Purchasing
Perry, James B.	8430-11 3983-03	NJ	TMA - President, CEO TER - President, CEO & Board Member TERH - President & CEO TERF - President, CEO & Board Member TCI2 - President, CEO
Pickus, Loretta I.	5102-11 3360-03	NJ	TERH - VP Legal Affairs

Pickus, Robert	3193-11 3347-03	NJ	TER - Exec. VP, Secretary & Gen. Counsel TERF - Exec. VP, Director and Secretary TERH - Exec. VP, Sec. & Gen. Counsel TCI - Exec. VP, Secretary & Gen. Counsel TCI2 - Exec. VP, Secretary & Gen. Counsel
Polisano, Joseph S.	4284-11 3348-03	NJ	TER - VP Project Development TERH - VP Project Development
Santoro, Richard M.	5247-11 3362-03	NJ	TER - Exec. VP Asset Protection & Risk Management TERH - Exec. VP Asset Protection & Risk Management
Savacool, Brian	3914-03	NJ	TER - VP Taxation TERH - VP Taxation
Stein, Shepard	4889-11 3853-03	NJ	TMA - Executive Director of Security
Thomas, Don M.	3358-03	NY	TER - Board Member, Member of Compensation Committee and Corp. Governance and Nominating Committee
Trump, Donald J.	8035-11 3359-03	NY	TER - Chairman of the Board, Chair Exec. Committee TCI - Director, President & Treasurer
Walker, Catherine	7888-11 3785-03	NJ	TMA - General Manager
Weber, Richard	8717-11 3961-03	NJ	TMA - VP Corporate Controller
Wilkins, Jeanne-Marie	3919-03	NJ	TER - VP Business Strategy TERH - VP Business Strategy

Wilson, Cheryl ²	8799-11	NJ	TMA - VP Data Base Marketing
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²Pending Qualification

EXHIBIT C

TRUMP TAJ MAHAL ASSOCIATES, LLC
d/b/a Trump Taj Mahal Casino Resort

Natural Person Qualifiers

LEGEND

TTMA
TCI
TCI2
TERF
TERH
TER

TRUMP TAJ MAHAL ASSOCIATES, LLC
TRUMP CASINOS, INC.
TCI 2 HOLDINGS, LLC
TRUMP ENTERTAINMENT RESORTS FUNDING, INC.
TRUMP ENTERTAINMENT RESORTS HOLDINGS, L.P.
TRUMP ENTERTAINMENT RESORTS, INC.

Name	ID	RS	Position
Banning, William	6700-11 3852-03	NJ	TTMA - Director of Security
Bhandari, Ravneet Singh ¹	8763-11 3867-03	NJ	TTMA - Sr. VP Revenue Management
Black, Dale R.	3933-03	NJ	TER - Exec. VP & CFO TERH - Exec. VP & CFO
Burke, John P.	5312-11 3321-03	NY	TCI - VP & Assistant Treasurer TCI2 - VP & Corp. Treasurer TER - Exec. VP & Corp. Treasurer TERH - Exec. VP & Corp. Treasurer TERF - Director, Exec. VP & Treasurer
Burkhalter, Donald D.	3932-03	NJ	TER - VP Customer Relations/Brand Management TERH - VP Customer Relations/Brand Management

¹Pending Qualification

Caren, Gregg	4009-03	NJ	TER - VP Hotel Sales
Cunningham, Frederick T.	6015-11 3546-03	NJ	TERH - VP of Legal Affairs
D'Alelio, Edward H.	3889-03	MA	TER - Board Member, Member of Compensation & Audit Committee & Member of Strategic Committee
Davis, Michael	5965-11 3920-03	NJ	TTMA - VP Information Technology
Ferretti, Robert	5368-11 3328-03	NJ	TTMA - Sr. VP Slot Marketing
Fiore, Thomas C.	5645-11 3894-03	NJ	TTMA - Sr. VP National Marketing
Florio, James J.	3891-03	NJ	TER - Board Member, Chair of Corp. Governance and Nominating Committee
Froelich, Cezar M.	3894-03	IL	TER - Board Member, Member of Corp. Governance and Nominating Committee & Executive Committee
Fusco, Joseph A.	6614-11 3329-03	NJ	TER - Exec. VP Government Affairs TERH - Exec. VP Government Affairs
Gietka, Steven	6206-11 3606-03	NJ	TTMA - VP Entertainment
Grande, Joseph Arthur	7151-11 4036-03	NJ	TTMA - VP Player Development
Handel, Morton E.	3892-03	FL	TER - Board Member, Chair of Compensation Committee & Member of Executive Committee & Chair of Strategic Committee
Hausler, Eric	4010-03	NJ	TER - Sr. VP Development

Juliano, Mark	4475-11 3078-03	NJ	TTMA - COO TER - COO TERH - COO
Keller, Paul B.	3937-03	NJ	TER - Exec. VP Design and Construction TERH - Exec. VP Design and Construction
Keyser, Craig	6064-11 3334-03	NJ	TTMA - Exec. VP Human Resources & Admin
Kim, Joong Y.	6037-11 3629-03	NJ	TTMA - VP Korean Marketing
Kramer, Michael A.	3895-03	CT	TER - Board Member, Chair of Audit Committee & Member of Strategic Committee
Krause, Rosalind	4146-11 8082-03	NJ	TTMA - General Manager
Lemoniotis, Eleni	6675-11 3850-03	NJ	TTMA - Director of Internal Audit
Martin, Donna	5886-11 3572-03	NJ	TTMA - VP Slot Player Development
Masciocchi, Lawrence	7396-11 3620-03	NJ	TTMA - VP Slot Player Development
Mauk, Paula	7188-11 3673-03	NJ	TTMA - VP Marketing
McDowell, Virginia	8494-11 3298-03	NJ	TTMA - Exec. VP & CIO TER - Exec. VP & CIO TERH - Exec. VP & CIO
Ng, Gary	8640-11 3556-03	NJ	TTMA - Sr. VP Asian Player Development
O'Donovan, Vickie	4400-11 4020-03	NJ	TTMA - VP Purchasing TPA - VP Purchasing TMA - VP Purchasing

Oskiera, Stephen S.	4074-11 3449-03	NJ	TTMA - VP Finance
Perry, James B.	8430-11 3983-03	NJ	TTMA - President, CEO TER - President, CEO & Board Member TERH - President & CEO TERF - President, CEO & Board Member TCI2 - President, CEO
Pickus, Loretta I.	5102-11 3360-03	NJ	TERH - VP Legal Affairs
Pickus, Robert	3193-11 3347-03	NJ	TERF - Exec. VP, Director and Secretary TER - Exec. VP, Secretary & Gen. Counsel TERH - Exec. VP, Sec. & Gen. Counsel TCI - Exec. VP, Secretary & Gen. Counsel TCI2 - Exec. VP, Secretary & Gen. Counsel
Pilli, Frano	7372-11 4037-03	NJ	TTMA - VP Player Development - Tables
Polisano, Joseph S.	4284-11 3348-03	NJ	TER - VP Project Development TERH - VP Project Development
Rifici, Antonella	7700-11 3744-03	NJ	TTMA - VP Slot Player Development
Rivin, Alan	280-11 3099-03	NJ	TTMA - VP Hotel Operations
Santoro, Richard M.	5247-11 3362-03	NJ	TER - Exec. VP Asset Protection & Risk Mgt. TERH - Exec. VP Asset Protection & Risk Mgt.
Savacool, Brian	3914-03	NJ	TER - VP Taxation TERH - VP Taxation
Sima, Barbara	6193-11 3616-03	NJ	TTMA - VP Slot Player Development

Thomas, Don M.	3358-03	NY	TER - Board Member, Member of Compensation Committee and Corp. Governance and Nominating Committee
Trump, Donald J	8035-11 3359-03	NY	TER - Chairman of the Board, Chair Exec. Committee TCI - Director, President & Treasurer
Volturo, Mary	577-11 3851-03	NJ	TTMA - Director of Surveillance
Weber, Richard	8717-11 3961-03	NJ	TTMA - VP Corp. Controller
Wilkins, Jeanne-Marie	3919-03	NJ	TER - VP Business Strategy TERH - VP Business Strategy